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TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

DREDGING---DALHOUSIE, BATHURST, CARA- QUET AND LOGGIEVILLE

No. 1—FEBRUARY 1 1911



OTTAWA

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MINUTES OF EVIDENCE

COMMITTEE ROOM, No. 32,

HOUSE OF COMMONS,

WEDNESDAY, February 1, 1911.

The Select Standing Committee on Public Accounts met at Eleven o'clock a.m., the Chairman, Mr. A. B. Warburton, presiding.

The Committee proceeded to the consideration of the payment of \$31,362.50 to A. & R. Loggie for Dredging at Dalhousie, N.B., as set out at Page V—248 of the report of the Auditor General for the fiscal year ending March 31, 1910.

E. D. LAFLEUR, called, sworn and examined.

By Mr. Crocket:

Q. Mr. Lafleur, you are Chief Engineer of the Public Works Department?—A. I am, sir.

Q. All dredging contracts of the Department pass through your office?—A. Yes, sir, they do.

Q. I see by the Auditor General's reports, V—248, that a sum of \$31,362.50 was paid to the firm of A. & R. Loggie for dredging at Dalhousie in the fiscal year ending March 31, 1910. Can you tell me if there was any Order in Council authorizing any work at Dalhousie in the fiscal year ending March 31, 1910?—A. I cannot tell you. I do not think there was.

Q. You do not think there was. Have you got the departmental files here?—A. In 1908 there was a contract entered into between the department and Messrs. A. & R. Loggie for dredging at Dalhousie.

Q. What is the date of the contract?—A. 17th August, 1908.

Q. Just let me see that please. Was that for dredging at Dalhousie generally?—A. At Dalhousie, that is what the contract says.

Q. At Dalhousie. Is there any further specification than Dalhousie, I mean any specification of locality?—A. Not that I can see here.

Q. Well, that is the contract entered into?—A. Entered into, yes.

Q. Then the contract does not indicate whether the dredging was to be done at the public wharf or at the Ferry wharf, or within the harbour or outside the harbour?—A. At Dalhousie.

Q. That is all there is?—A. That is all there is.

Q. And tenders were called for in the same terms at Dalhousie generally?—A. At Dalhousie generally.

Q. Was there any plan prepared of the work that was proposed to be entered upon before contracts were called for?—A. No, sir, not that I can remember.

Q. Do you have any report of what particular dredging was required at Dalhousie before tenders were called for?—A. Yes, Mr. Armstrong has such a report.

Q. Well, can you turn up the report?—A. I would like to see the report.—A. This would seem to be the only report, I think, on these files. That is a telegram from Mr. Stead.

Q. Well, this refers to a previous letter?—A. What date is that?

Q. That is dated the 16th July and refers to a letter of the 9th July; have you that?—A. I have that here.

Q. Now that is the earliest report that you have upon this subject of dredging at Dalhousie?—A. I think it is.

Q. That is the earliest, and it is dated the 9th July, 1908?—A. 1908.

Q. That is a letter addressed to you by Geoffrey Stead, the resident engineer?—A. Yes, sir.

Q. It is from Chatham, N.B. "Sir, I have received your telegram of the 9th inst., as follows: 'Reported Loggie's dredge now at Dalhousie. Please put her at work immediately and appoint Lewis Allain as inspector.' I sent Lewis Allain his appointment as inspector on the first of July. On the 6th inst. I saw the Captain of the dredge 'Hayward,' belonging to Messrs. A. & R. Loggie, and gave him instructions as to the dredging at Dalhousie. I also gave him the letter, a copy of which I inclose. In August, 1905, the 'St. Lawrence' was ordered to do a few days' dredging in the basin at the Ferry wharf. It is asked that a considerable amount of dredging be now done there. A survey of this whole basin has been partly made and will be completed as soon as possible when the amount of dredging required will be determined. The western side of this basin is bounded by the wharfs of the Dalhousie Lumber Company. The width between the Ferry wharf, now being rebuilt by the department, and the Dalhousie Lumber Company's wharfs is about 150 feet, and it is desired that the dredged area include the whole section between the latter wharfs and the Ferry wharf and approach to the latter. The basin, if deepened, would form a convenient and desirable harbour and shelter for schooners and the smaller square rigged vessels. The pier-head of the Ferry wharf, as rebuilt, is close piled so that berths around it may be excavated without danger to the wharf." That is signed by Geoffrey Stead. Now, you say that is the first report you received with reference to dredging requirements at Dalhousie?—A. Well, as far as the correspondence here goes.

Q. I went to find out how this dredging proposition originated down there, and I would like you to look over your file and be sure if that is the first?—A. That is the first.

Q. That is the first?—A. Yes, sir.

Q. Well, that was started from the department up here by reference to that letter—Mr. Stead's letter. You say you telegraphed him that it was reported that Loggie's dredge was now at Dalhousie and you say, "Please put her at work immediately and appoint Lewis Allain as inspector."?—A. Yes, sir.

Q. From whom did you get that information and instruction?—A. I must have had it from the department, I suppose.

Q. What do you mean by the department—the Deputy Minister or the Minister?—A. At this date I cannot remember from whom I got it. It might have been the Minister or the Deputy Minister.

Q. Now, tenders had been called for previous to this letter?—A. No, sir, I do not think so. They could not have been.

Q. Well, when were the tenders called for?—A. Tenders were called for by public advertisement, and only one tender was received, A. & R. Loggie.

Q. What was the date of the call for tenders?—A. On June 16th the firm of A. & R. Loggie were notified that their tender for dredging at Dalhousie had been accepted.

By Mr. Carvell:

Q. That does not say tenders were called for on that day?—A. No.

Q. The question is when were they called for?—A. It must have been a month previous to that at least.

By Mr. Crocket:

Q. On the 16th of June they were notified that their tender had been accepted?—A. Yes.

Q. This letter is dated the 19th of July, three weeks after that, this letter which informs you of the dredging required at Dalhousie. That notification is prior to the date of the letter you refer to?—A. Yes, I see that.

Q. You tell me there was no specification whatever as to the dredging required at Dalhousie before there was a call for tenders?—A. There must have been, but I cannot see anything on file here to answer your question positively.

Q. I want to know, Mr. Lafleur, whether there was?—A. I have no correspondence here to let me know whether or not there was a previous report to the one I have just referred to.

Q. You have stated that you thought this was the first report you received?—A. I thought that was the first report, yes.

Q. Can you tell me if there is in the department any plan or specification showing the particular locality where the dredging was to be done, showing the depth it was proposed to dredge, or any details in connection with the work it was proposed to enter on?—A. At the time we did not make those specifications in that way, we just stated the dredging was to be at such a place without mentioning the depth or anything else, leaving the whole matter in the hands of the district engineer.

Q. That is the fact, that it has been the practice of the department to call for tenders for dredging generally at a place without specifying the particular locality in that place, and without specifying the quantity of dredging, the depth or any other details?—A. That was the practice at the time this work was let, it is not to-day.

Q. Of leaving the matter entirely in the hands of the district engineer?—A. As to the depth and locality, yes.

Q. So that any person contemplating tendering would be entirely in the hands of the resident engineer with regard to getting information that would be necessary for the preparation of his tender?—A. Oh, no, I do not think that; it would be just a question of the contractor or intending contractor going there to ascertain what the material would be.

Q. And he would have to ascertain that from?—A. The district engineer, of course.

Q. Or from some one in the department that chose to give him the information?—A. I do not think that.

Q. Would it not be necessary at any rate for a contractor who contemplated tendering getting that information from some one in the department privately, or from the resident engineer privately?—A. No, because he was obliged, according to the terms of the specification to visit the site of the work himself and ascertain what the nature of the material was.

Q. But the call for tenders did not indicate the site of the work—this call for tenders did not indicate the site of the work, did it?—A. No, I do not think it did.

Q. Now, as a matter of fact, do you know, Mr. Lafleur, when that contract was called for, the dredging contemplated was at what is known as the Public Wharf?—A. Well, I cannot say that I do.

Q. Well, did you know, did you have any idea where it was, as Chief Engineer of the department did you know whether it was at the Public Wharf or at the wharf of the Dalhousie Lumber Company?—A. I can't say that I did.

Q. You can't say that you had any knowledge at all?—A. No.

Q. Well, the tender of the Loggie firm was the only tender received?—A. Yes.

Q. And they were awarded the contract at 50 cents per cubic yard?—A. Yes, sir.

Q. Had you any estimate at that time of the quantity of material to be dredged?—A. I think I showed you a letter a few minutes ago that it was 70,000 cubic yards.

Q. But at the time you called for tenders—the letter you refer to is dated the 9th of July, three weeks after the contract was awarded.—A. Well, as I told you a few minutes ago, I can't see any correspondence here, any report, previous to the one I showed you, so I can't very well answer your question.

Q. That contract you have referred to contains this special provision in it:

"It must be distinctly understood that the department does not bind itself to continue the work at the prices quoted after the close of navigation this coming fall, or after the close of the present fiscal year, in cases when the navigation is open all the year, nor after the appropriation granted for this work is exhausted; but we agree that the department will have the power and right to, at any time, call upon us to continue for one or more ensuing seasons the dredging which may be awarded to us under this tender and at the prices herein quoted."

—A. Yes, sir.

Q. You have said there was no Order in Council authorizing the continuation of this work for the fiscal year year ending March 31, 1910?—A. Not that I am aware of.

Q. That work was chargeable to "Dredging, Maritime Provinces" generally, was it not?—A. Yes.

Q. Here (handing document to witness) is the Order in Council, just see if there is any authorization in that for dredging at Dalhousie?—A. Not that I can see.

Q. Well, look it over, you see the New Brunswick items there?—A. Yes, Caraquet, &c.

Q. There is none?—A. It is not here, sir.

Q. What is that; the Order in Council authorizing the renewal of certain contracts, is it not?—A. It is an extract from an Order in Council dated the 29th of May, 1909, authorizing the extension of certain contracts.

Q. Authorizing the extension of certain contracts?—A. Yes.

Q. And this Dalhousie contract was not mentioned in that Order in Council?—A. No.

Q. There is a reference, I think you will find, to the contract for dredging at Bathurst and Caraquet?—A. Yes.

Q. There was an authorization for the extension of the contract at Bathurst and Caraquet?—A. Yes.

Q. But not at Dalhousie?—A. Not that I can see here.

Q. Will you tell me now under what authority, do you know under what authority the Loggies received \$31,000 for dredging at Dalhousie in the fiscal year ending March 31, last?—A. I think it was based on a misunderstanding as to a telegram I sent myself authorizing A. & R. Loggie to continue the dredging at Bathurst on the same conditions as last year, the expenditure to be limited to \$9,600, and that telegram it appears when delivered read "Dalhousie" instead of "Bathurst."

Q. That is the only authority, is it, they had for doing this work amounting to over \$31,000; a misunderstanding?—A. No, not a misunderstanding.

Q. You used the word, "misunderstanding"?—A. Yes, I used the word "misunderstanding," but my telegram read "Bathurst," that is as it was sent it read "Bathurst," but the telegraph office, through an error in the telegraph office, it was made to read "Dalhousie."

Q. And do you tell me that upon that, and upon that only, a sum of over \$31,000 was paid to the firm of A. & R. Loggie, that the department sent a telegram to them to continue the work at Bathurst?—A. Yes.

Q. And the telegram as delivered told them to continue the work at Dalhousie, and that is the explanation of the payment of \$31,000 to that firm for dredging at Dalhousie?—A. As far as I am personally concerned that is the only authority I gave for the continuation of the dredging at Bathurst.

Q. Now, did they do the dredging at Bathurst also?—A. Yes, I think they did, after the dredging at Dalhousie.

By Mr. German:

Q. Have you the telegram you sent, or a copy of it?—A. A copy of it.

By Mr. Crocket:

Q. Do you know the amount they got for dredging at Bathurst—without referring to the report?—A. No, I could not tell you that.

Q. The Auditor General's Report here, Mr. Lafleur, gives them \$25,389.25 for dredging at Bathurst, and \$31,362.50 at Dalhousie; the \$25,389.25 is for Bathurst. Were these the only telegrams that were sent to the Loggie firm in reference to the dredging at Bathurst and Dalhousie?—A. As between myself and Mr. Loggie I think that was the only telegram sent.

Q. That was the only telegram that was sent?—A. Yes.

Q. And you say that the telegram was sent by you notifying them to continue the work at Bathurst?—A. At Bathurst.

Q. And it limited the expenditure to \$9,600?—A. \$9,600.

Q. What was the date of the telegram?—A. June 1st, 1909.

Q. Was there any letter sent?—A. Not that I can see by this file.

Q. Well, I would like you to look that over and make sure, Mr. Lafleur?—A. I must tell you that at the time I was not in the office myself, that my assistant was there and I am not absolutely sure—

Q. When you say 'at that time' do you mean at the time the telegram was sent?—A. No, I sent the telegram myself on the first of June, but the further correspondence was made by my assistant.

Q. During your absence?—A. During my absence.

Q. Can you find any further instructions than that telegram to Messrs. Loggie in reference to the work at Bathurst or the work at Dalhousie. I might say I looked the file over and I could not find any letter; all there was on the file furnished me were the telegrams?—A. I think that is the only thing I have here, sir, just that telegram.

Q. Well, then, at that rate the Loggies would never receive the instructions to proceed with the work at Bathurst?—A. Oh, I think the matter was corrected afterwards, though; I see here quite a number of letters and telegrams—

Q. Yes, but one thing at a time, I was going to take you into the correspondence about that afterwards. What I want to get clearly in my mind now is what telegrams were sent in reference to the continuation of the work at Bathurst and at Dalhousie, in the way of authorizing that firm to go on with the work for that year. Was there any more than that one telegram of the first of June, which you say you signed, instructing them to continue the work at Bathurst—that is the Loggie firm. I have the impression that there was one of the 7th of June that I saw some place, but I can't find it now, referring to Caraquet and Bathurst, but it may have been to Mr. Stead?—A. Yes, on the 7th of June, 1909, there was a telegram sent to Mr. Geoffrey Stead, the district engineer at Chatham, N.B., that "A. & R. Loggie have been authorized to proceed with the dredging at Bathurst under the same terms and conditions as last year, expenditure to be limited to \$9,600." That, if you notice, was the same amount mentioned for Dalhousie in the telegram to which you have been referring.

Q. Yes, and that is dated June 7th?—A. June 7th, 1909.

Q. And it is addressed to the District Engineer, Mr. Stead?—A. Yes.

Q. And it is relating to Bathurst?—A. To Bathurst.

Q. Was there any other telegram or letter, or communication of any kind sent to the Loggie firm other than the telegram of the 1st June, 1909, in which you say the mistake occurred?—A. I do not think there was.

Q. You do not think there was?—A. No sir.

Q. So then if that telegram was received by the Loggie firm with the word 'Dalhousie' substituted for the word 'Bathurst' they had authority to go on with the work at Dalhousie and not Bathurst?—A. At Dalhousie and not Bathurst.

Q. So far as the instructions to the Loggie firm, the instructions which they received?—A. So far as the instructions contained in this telegram to the Loggie firm.

Q. But you say that on June 7th a telegram was sent to Geoffrey Stead?—A. Yes.

Q. Informing him that the Loggies were authorized to proceed with the work at Bathurst?—A. Yes.

Q. On the same terms as last year?—A. Yes.

Q. Well, here on the 7th June again there was another telegram sent to A. & R. Loggie, "You are authorized to proceed with dredging at following places at same prices as last year. Expenditure to be limited to amounts mentioned:—Caraquet, N.B., ten thousand dollars. Bathurst, N.B., nine thousand six hundred dollars."

Q. That was on the 7th June?—A. On the same day.

Q. That is a telegram notifying the Loggie firm that they were authorized to proceed with dredging at the following places?—A. Caraquet and Bathurst, N.B.

Q. Caraquet and Bathurst, N.B.?—A. Yes, sir.

Q. What was the first knowledge that the department had that the Loggies were proceeding with the work at Dalhousie. I mean, when did the Department receive that information? I think you will find it in a letter of 2nd August from Geoffrey Stead to yourself?—A. Yes, I have a letter here from Mr. Geoffrey Stead.

Q. Just read that, please?—A. It is addressed to myself and reads:—"Messrs. A. & R. Loggie, contractors for the dredging at Dalhousie, N.B., have resumed work there under the authority of the Department, the expenditure being limited to \$10,000. I cannot find anything to this effect in my correspondence and should be much obliged if you would confirm these instructions in a letter to myself. Yours obediently, (Signed) Geoffrey Stead, Resident Engineer."

Q. Upon receipt of that, what instructions were sent from the Department. I think there is a telegram of August 4th?—A. It is signed "U. Valiquet." "Notify Contractors Loggie that there is no appropriation for dredging at Dalhousie and that work is not authorized."

Q. So that on 4th August Geoffrey Stead was instructed by the department to notify the Loggie firm that that work was not authorized and that there was no appropriation for it?—A. Yes, sir.

Q. Was the department advised by Mr. Stead that he had notified the Loggies to that effect? That was on 14th August. You will find it there, I think?—A. Yes, on the 14th.

Q. Just read that letter?—A. That is addressed to myself again, and reads:—"I inclose an account for \$5,043, in favour of Messrs. A. R. Loggie, of Loggieville, N.B., for dredging at Dalhousie, N.B., during the month of July, the material removed being 10,086 cubic yards of stiff clay. This work was done by the authority of a telegram of which a copy is attached. I received your telegram of the 4th saying that this work was not authorized, late that evening, and handed Messrs. Loggie a copy of this telegram on the 5th inst." This is signed Geoffrey Stead.

Q. So that Mr. Stead had handed the Loggies a copy of that telegram from the department on the 5th of August, stating that the work was not authorized and that there was no appropriation for it. That is what Mr. Stead reports?—A. Yes, sir.

Q. Did the work stop then?—A. No, sir.

Q. How long did it continue? Perhaps you had better just take these accounts and look them over.

Mr. CARVELL.—Would it not be better to get authority for all the work. The Minister assumes all the responsibility.

By Mr. Crocket:

Q. You might just look over the accounts and see if that work stopped at all; if it was not continued until the month of October without any interruption at all.

Can you say when it began? I think it was 12th July. You will see by the first weekly returns?—A. Yes, it was.

Q. It began on the 12th July?—A. Yes sir.

Q. And these returns there show that there was no cessation of that work at all?—A. No sir, it went on as far as I can see here up to the 7th October.

Q. It went on without any interruption until the 7th October, notwithstanding that the department, when they received the voucher of Loggies of July, for \$5,043, notified the resident engineer to inform the Loggie firm that there was no authority, no appropriation, it went on till the 7th October and they received not only the \$5,043 that the department at first proposed, but \$25,000 more?—A. That is what the accounts show, sir.

Q. On the 17th August you will find a letter written by Valiquet to Mr. Stead; please read it?—A. That is a letter addressed by Mr. Valiquet to Mr. Geoffrey Stead, and reads: "I return herewith the inclosures forwarded with your letter of the 14th inst., being an account rendered by Messrs. A. & R. Loggie, amounting to \$5,043, for dredging done at Dalhousie, N.B., and a copy of a telegram from this office authorizing the contractors to continue dredging at Dalhousie, the expenditure to be limited to \$9,600, which telegram is said to have been sent on June 1st, 1909. I have caused searches to be made in the office here, and in the telegraph office, and no such telegram can be found. The only telegrams sent to Messrs. Loggie on the date mentioned were two, copies of which are herewith inclosed, one authorizing them to proceed with dredging at Caraquet, the other with dredging at Bathurst. Under these circumstances, the account for Dalhousie dredging cannot be sent in for payment." Signed by U. Valiquet.

Q. What position does Mr. Valiquet occupy in the department?—A. He is my chief assistant.

Q. So that was the decision he came to when Mr. Stead forwarded the Loggie firm's account for the month of July and stated that the accounts could not be sent in for payment?—A. Yes, so far as our records show the dredging at Dalhousie had not been authorized at the time.

Q. So far as the file stands is there any further correspondence from that date, 17th August, until the 22nd of September. I see here a memorandum from the Minister?

Mr. CARVELL.—There is one on the 8th September from the Loggies to the Minister.

WITNESS.—I have not got that.

By Mr. Crocket:

Q. There is such a letter. Mr. Doody gave me a copy. Just read that?—A. It is a letter addressed to Hon. Wm. Pugsley, Ottawa:

"Please find inclosed original telegram received reference dredging at Dalhousie. We are sending you this telegram at the request of Mr. James Reed.

Yours respectfully,

(Sgd.) A. & R. LOGGIE."

Q. Now did you receive any instructions after that from the Minister in reference to the payment of this account?—A. Yes, sir, on the 22nd of September, 1909, I had a memo. from the hon. the Minister:

"Memo. for the Chief Engineer.

Re dredging at Dalhousie. Messrs. A. & R. Loggie have sent me the original telegram delivered to them by the office of the G.N.W. at Loggieville, which authorized the dredging at Dalhousie, and of which the copy of telegram attached to letter of Mr. James Reid is an exact copy. Under these circumstances, and as Messrs. Loggie went on in good faith and did the dredging under the direction of the resident engineer, and as this work was necessary, kindly have the necessary payments made pursuant to the report of the resident engineer.

(Sgd.) W.P."

Q. That was the direction of the Minister?—A. Of the Minister.

Q. Now the Minister states there that this work, that is the dredging, was done under the direction of the resident engineer?—A. Yes.

Q. Have you any evidence that this dredging was done after the month of July?—A. Only the returns.

Q. At Dalhousie?—A. Only the returns.

Q. Under the direction of the resident engineer?—A. No, I have no special information, only the returns that you showed me a few minutes ago.

Q. And they are signed by Mr. Stead?—A. Yes.

Q. The first information, as your statement already shows, that the department received was Mr. Stead's letter of the first of August stating that the Loggies had resumed dredging at Dalhousie and asking that that be confirmed?—A. Yes.

Q. That is the fact, is it not?—A. Yes, as far as I am aware.

Q. So far as the department was concerned the first information they had that the Loggies had resumed work at Dalhousie was conveyed by Mr. Stead's letter of the 2nd of August?—A. Yes.

Q. In which he asked that the matter be confirmed, and then he was instructed to notify the Loggies that there was no appropriation for dredging at Dalhousie and that the work was not authorized, and the Minister states notwithstanding that that the dredging was done under the direction of the resident engineer?—A. It must have been.

Q. You say it must have been done under his instructions?—A. Yes.

Q. Then Mr. Stead would actually know that this dredging was going on?—A. As far as I am aware, yes.

Q. And would have knowledge of it from the beginning?—A. I think so, sir, yes.

By Mr. German:

Q. Did you ever take steps to find out how this telegram got changed so that the word "Dalhousie" was substituted for "Bathurst," the two words are absolutely dissimilar—A. There is a lot of correspondence here about that matter, I do not know how it occurred.

Q. May I see the correspondence?—A. Certainly. (File handed to Mr. German).

By Mr. Crocket:

Q. I was going to refer to that matter Mr. German. Now that memorandum of the Minister of the 22nd of September was for the payment of the July account only was it not, Mr. Lafleur, and it was based upon the fact that there was a mistake in the telegram, that the Loggies had gone on with it in good faith, and that the work was done under the direction of the resident engineer?—A. No, I do not think it was limited to that account because the Minister says in his memo. to me, "Kindly have the necessary payments made."

Q. Kindly have the necessary payments made?—A. Yes, payments.

Q. The only matter before the department at that time, you say there was nothing up to that time before the department but the Loggies' account for the month of July, is not that a fact?

MR. CARVELL.—I do not want to interfere with my hon. friend's examination, but I have a right to interpose at this point. My hon. friend knows that on the 24th of September Mr. Valiquet sent a telegram to Mr. Stead asking for an immediate report of the dredging done at Dalhousie for the purpose of making payments therefor; my hon. friend knows it has reference to payments for work done up to the then present time. I do not want to say that he is desirous of misleading the committee but the logical result, if nobody interferes to point out the facts, would be that the committee would be misled.

By Mr. Crockett:

Q. What I am asking you is whether the department at that time had before it anything more than the July account?—A. I cannot tell you because I was not in the department at the time, Mr. Mr. Valiquet was there.

Q. So far as your file was concerned was there?—A. I have nothing to show.

Q. Is there anything more than the July account there?—A. I do not see anything here. I only see the memo. of the Minister instructing me to make payments, therefore there must have been more than one.

Q. Because he used the word 'payments,' the plural instead of the singular?—A. Certainly.

Q. But so far as the file shows there was only the July account at that time before the department?—A. That I can't say.

Q. I want you to see from the file whether it was so or not?—A. I can't see anything else there.

Q. The date of the memo. is the 2nd of September, but Mr. Valiquet's letter is on the 17th August in which he refers to the July account and says that it cannot be sent in for payment?—A. That is all I can see here.

Q. And the file also shows that on the 4th of August there was an instruction from the department that there was no authority for the work?—A. According to this file that is it.

Q. Was there any instructions sent subsequently to the Loggies or to Mr. Stead as to continuing the dredging work at Dalhousie?—A. Not that I am aware of, I cannot see it on the file.

Q. And you have no knowledge of any further instructions being sent?—A. No sir.

Q. Now then you say there was an inquiry made at the telegraph office as to this mistake——

MR. CARVELL.—Would you not be willing to follow this matter up now, and put in the letter of the 24th?

MR. CROCKET.—Yes, I am going to take it up. I have no objection to putting that letter of the 24th of September in if you have it there.—A. I haven't it here.

By Mr. Crockett:

Q. Well, I will read it, I have it. (Reads.)

"September 24th, 1909.

"Sir:

"With regard to the dredging done by Messrs. A. & R. Loggie, at Dalhousie, N.B., I have to ask you to send me certified weekly reports of the dredging operations, and a certified account, in duplicate, for the amount due the firm.

"Yours obediently,

(Sgd.) U. VALIQUET,
for Chief Engineer."

"Geoffrey Stead, Esq.,
District Engineer, P.W.D.,
Chatham, N.B."

That was Mr. Valiquet's request to the resident engineer to send him the account. Was that the result of the Minister's instructions?—A. I cannot tell you, I was not there at the time.

Q. You ought to, as chief engineer. The Minister's memo. was dated 22nd of September?—A. All I have is that memo. to me.

Q. That was the result of the Minister's instructions, was it?—A. Yes, sir.

Q. Of the 22nd of September?—A. Yes.

Q. Now I think that brings us up to the inquiry as to the mistake in the telegram. Was there an investigation as to that mistake?—A. Yes, sir, the Minister himself investigated that matter, I think.

Q. And what was the result of that investigation? Where was it reported that this mistake had occurred and how?—A. It appears that the error occurred between the operator at Campbellton, N.B., and the operator at Chatham, N.B.

Q. That is what the telegraph people reported?—A. That is what Charles E. Davies, Manager of the Great North Western Telegraph Company at Ottawa reported to the Minister on November 4, 1909.

Q. Was there any explanation as to how the word "Dalhousie" could be substituted for "Bathurst"?—A. Not that I can see here.

Q. There is no explanation of that?—A. I think the operator reported that she could not remember anything about it—There is here a letter from the operator at Campbellton, M. B. Ryan, to Mr. E. McWilliams, "I have no recollection now as to how I received the word, I could hardly write "Dalhousie" for "Bathurst," if it was sent "Bathurst."

Q. Is that from Miss Ryan?—A. Miss Ryan, yes, I suppose it is Miss Ryan, it is signed M. B. Ryan.

Q. And that is the result of the inquiry as communicated to the department, simply that the error occurred between the office at Campbellton and the office at Chatham?—A. Between the office at Campbellton and the office at Chatham.

Q. Is there not some reference in the correspondence, does not Miss Ryan say she sent out a second message that day?

MR. GERMAN.—She says she did not.

MR. CROCKET.—There was some suggestion of that, I think.

By Mr. German:

Q. What does the operator at the other end say? Miss Ryan says she would not put "Dalhousie" if it were sent "Bathurst"; what does the operator that sent it to Miss Ryan say?—A. I do not see that there is any explanation made as to the substitution of the word.

By Mr. Crocket:

Q. Do you know if the original telegram as received is in the Department?

MR. DOODY.—I believe it was sent back to Mr. Loggie.

MR. CROCKET.—When was it sent back to Mr. Loggie? Was it after the investigation?

MR. DOODY.—After the investigation, yes.

MR. CARVELL.—It can be obtained if you require it.

MR. CROCKET.—It does not matter, Mr. Carvell says he will get it.

By Mr. Crocket:

Q. Now then, coming back to the work at Dalhousie, have you any information in the department now as to the quantity of dredging that has been done at Dalhousie up to the present time since the awarding of this contract? I think you will find a letter there of the 10th of March last in which the figures are given.

MR. CARVELL.—That would not give the figures up to the present time.

MR. CROCKET.—Well, perhaps I am wrong in that, it will give the figures up to the end of March, 1910, a letter from Mr. Stead to yourself.

A. (Reads.)

"I have received your telegram asking how much dredging was done at Dalhousie in 1908 and 1909, and the amount required to complete what is necessary to be done there.

"In 1908, 23,964 cubic yards were removed at the deep water wharfs, and 21,963 cubic yards at the Ferry Basin.

"In 1909, 62,725 cubic yards were removed at the Ferry Basin. There remain about 56,000 cubic yards to be removed at the deep water wharfs.

"At the Ferry Basin 2,700 cubic yards, roughly, of rock must first be removed to give 22 feet at low water at the deep water berth and a considerable quantity of mud must then be dredged to give the general depth asked for in the Basin. Soundings and borings have lately been taken from which the exact quantities will be calculated. I will send you these as soon as possible.

"Dredging will be necessary at Dalhousie at short intervals on account of the large amount of silt brought down by the Restigouche river.

"Yours obediently,

(Sgd.) GEOFFREY STEAD,

Resident Engineer."

That is addressed to myself.

Q. So that the letter of Mr. Stead shows that in the year 1909 all the work done at Dalhousie was done at the Ferry Basin.—A. At the Ferry Basin.

Q. And that during the year 1908, 23,964 cubic yards was done at the deep water wharf, or the Public Wharf, and 21,968 yards at the Ferry Basin.

MR. CARVELL.—21,963 yards.

A. Yes, 21,963 yards.

Q. Was the work at Dalhousie continued during the present fiscal year—during the last dredging season?—A. No, sir, not that I am aware of.

Q. Not that you aware of?—A. No, sir.

Q. You notice that Mr. Geoffrey Stead says 56,000 yards to be removed at the deep water wharfs?—A. No, sir, I did not see that.

Q. No dredging was done from last summer there at all?—A. No, sir.

Q. You have referred to the letter of 9th July, 1908; Mr. Stead's letter to you, in which the first mention is made of the Ferry wharf, and in which he says the western side of this basin is bounded by the wharf of the Dalhousie Lumber Company?—A. Yes, sir.

Q. I want to call your attention to another letter, I think it is yours. Have you got a letter of the 14th September, 1908, from Mr. Stead to yourself?—A. 14th September, do you say?

Q. Yes?—A. Yes, I have a letter here from Mr. Stead.

Q. I would like to have that on record?—A. That letter is addressed to myself:—(Reads)—"I have received your telegram of the 1st September asking when the dredging at Dalhousie would be finished and that at Caraquet commenced. The dredging required at Dalhousie amounts to about 160,000 cubic yards and would occupy the dredge 'Hayward' nearly two seasons. 31,720 cubic yards have been removed this season, namely, from the 10th July to the 31st August. Berths about 75 feet wide, giving about 24 feet at low water outside, and about 20 feet low water inside, were first excavated at the deep water wharf, supplying the most needed accommodation there, and since the 17th August the dredge has been deepening the basin at a new Ferry Slip according to the directions on the accompanying plan. Mr. Turgeon, M.P., is very anxious to have the dredge begin work in the channel of Caraquet Harbour to enable the new deep water wharf there to be approached by steamers, and the dredge 'Hayward' was really procured in view of this work. I have received a letter from Dalhousie Lumber Company to-day saying that the 'Hayward' will have dredged the 75-ft strip for the full length to 12 to 13 feet at low water by about the last of September. As the Company was aware that Mr. Turgeon was anxious to have the dredge begin work at Caraquet this year they asked that the 'St. Lawrence' be then allowed to complete the berth to 20 feet low water, so that they might be able to build their new wharfs, or rather new face along the old wharfs, and put up the conveyors this winter, and be ready for shipping from their new mill which is nearing completion, next spring." Signed Geoffrey Stead.

Q. So that this work was being done for the Dalhousie Lumber Company?—
A. Well, I do not know.

Q. From the last paragraph of that letter, Mr. Lafleur, have you any doubt that the work there referred to was done at the request of and for the benefit of the Dalhousie Lumber Company?—A. I cannot say.

Q. The letter speaks for itself is I suppose what you have to say?—A. I cannot even say that.

Q. "As the Company was aware that Mr. Turgeon was anxious to have the dredge begin work at Caraquet this year, they asked that the 'St. Lawrence' be then allowed to complete the berth to 20 feet at low water, so that they might be able to build their new wharfs, or rather new face along the old wharfs, and put up the conveyors this winter, and be ready for shipping from their new mill which is nearing completion, next spring." That is the statement the resident engineer of the department made in the letter?—A. That is, sir.

Q. You seem to have answered that letter on the 18th September. I would like that letter on the record.—A. That is a letter addressed to Geoffrey Stead, resident engineer, Chatham, N.B. (Reads):

"I have your letter of the 14th inst., with reference to the dredging at Dalhousie, N.B., which you state will be completed in its most important part by the end of the present month. The dredge employed at Dalhousie will have to be moved to Caraquet, as requested by Mr. Turgeon, M.P., at the time specified. With regard to the work remaining to be done at Dalhousie for the Dalhousie Lumber Company, the matter will have to be brought up before the department by you later on. Please keep in mind that a dredge must be at Caraquet in the first days of October. Yours obediently, For Chief Engineer." That was evidently signed by my chief assistant, Mr. Valiquet.

Q. So in that letter occurs the expression, "With regard to the work remaining to be done at Dalhousie for the Dalhousie Lumber Company, the matter will have to be brought up before the department by you later on." Do you, as a matter of fact, know whether the dredge was sent there to do that work for the Dalhousie Lumber Company?—A. I think it was.

Q. Has any bill been sent to the company for that work?—A. Well, it is not generally the policy of the government I think to send bills to a company.

Q. When the work is done at a company's request and for its benefit?—A. In the public interest.

Q. We will not discuss that question. Was there a bill sent?—A. I think not, sir.

Q. And Mr. Stead's letter shows that this very basin is faced by the wharf, the property of the Dalhousie Lumber Company, and that of the total quantity of dredging done, in fact all the dredging done in 1909, was done at that basin?—A. So it appears, sir.

Q. And 62,725 cubic yards is the quantity reported done at the Ferry basin?—
A. That is according to the letter I read a few moments ago, I think.

Q. Has your attention been called to the fact that the Minister of Public Works is a stockholder of the Dalhousie Lumber Company? Do you read 'Hansard'?—A. No sir.

Q. You would know whether the minister admitted that or not?—A. I have too much to read apart from that.

MR. CROCKET.—That is all in this Dalhousie matter.

By Mr. German:

Q. When was the investigation first started to ascertain how the mistake in that telegram arose?—A. On 4th August.

Q. That is not what I wanted. I wanted to know when the investigation began to ascertain how the mistake arose in the telegram from Bathurst to Dalhousie?

MR. CARVELL.—I think you will find about the 23rd day of September. You will find a letter from the minister to the manager of the Great Northwestern Telegraph Company at Ottawa on the 23rd day of September. Here is the letter of the 23rd of September.

By Mr. German:

Q. Was that the beginning of the investigation to ascertain how the mistake was made?—A. Really the investigation was made by the minister and I cannot say when it commenced.

MR. CARVELL.—Will you have the letter put on record?

MR. GERMAN.—Here is a letter on this file signed by William Pugsley to A. & R. Loggie, is that the one?

MR. CARVELL.—That is a letter stating there was a mistake—this is the letter from the minister to the telegraph company themselves pointing out the error and asking for an investigation.

By Mr. German:

Q. Yes, but I understand that you knew early in June there had been some mistake or some intentional changing of the telegram, didn't you?—A. No, sir.

Q. When did you first know that this change had occurred, that is that the telegram Messrs. Loggie received was for dredging at Dalhousie, whereas the telegram you sent was for dredging at Bathurst?—A. The fact is I did not know it until late in the fall because I was absent at the time; all the correspondence was carried on by Mr. Valiquet at that time.

Q. But the department must have known it as soon as they got word from the resident engineer, Mr. Stead—the department must have had knowledge of it at that time, wouldn't they?—A. I suppose they would, but I have no personal knowledge of it because I was away.

Q. At any rate the investigation to ascertain how the mistake occurred did not take place until the 22nd of September?—A. No, sir, not as far as I know; the investigation was carried on by the honourable the minister, himself.

By Mr. Carvell:

Q. Mr. Lafleur, will you please read the letter from the minister to the telegraph company of the 23rd of September, 1909?—A. This is a letter addressed by the hon. the minister to the Manager of the Great North Western Telegraph Company at Ottawa:—

“September 23, 1909.

Dear Sir:—I beg to call your attention to a mistake which occurred in transmitting a message from the Chief Engineer of my Department, Mr. E. B. Lafleur to Messrs. A. & R. Loggie, at Loggieville, N.B. The telegram sent by Mr. Lafleur reads as follows:—

‘You are authorized to continue dredging at *Bathurst* under same condition as last year, expenditure to be limited to nine thousand six hundred dollars.’

And the telegram received by Messrs. A. & R. Loggie the original of which I have seen reads as follows—

‘You are authorized to continue dredging at *Dalhousie* under same conditions as last year, expenditure to be limited to nine thousand six hundred dollars.’

I trust you will have this matter investigated and find out how the mistake occurred. It was a most material alteration and a matter of over nine thousand dollars is involved.

Yours truly,

(Sgd.) WILLIAM PUGSLEY.”

Q. And do you know when a telegram is sent from Ottawa to Loggieville through how many offices it will pass?—A. I could not tell you that.

Q. You do not know that yourself?—A. No.

Q. Does the correspondence show how many times a telegram is repeated?—A. No sir, it does not.

MR. DOODY.—At Quebec and Campbellton.

Q. Mr. Doody says that the correspondence shows it is repeated at Quebec and Campbellton. Does the correspondence show that it reached Campbellton in its proper form?—A. The error was made between Campbellton and Chatham.

Q. Or Loggieville. Would it be repeated again to Chatham, or would it go direct to Loggieville?—A. I do not know.

Q. At any rate perhaps the correspondence will tell that?—A. No.

Q. All right. Now, Mr. Lafleur, this Ferry Basin, so called, at Dalhousie, does it adjoin any other property than that of the Dalhousie Lumber Company, or are there any other companies with property alongside, who would benefit by the dredging?—A. I think in reality it is a public work.

Q. Do you know anything about the business being done by the Dalhousie Lumber Company?—A. Not as to the extent, but I know they do considerable.

Q. As a matter of fact you know they are large snippers of lumber?—A. Yes, I know that.

Q. Was there a public landing, that is a landing for boats of any kind, as well as the wharf of the Dalhousie Lumber Company on this Basin?—A. That is the Ferry Landing, you mean?

Q. Yes?—A. Yes.

Q. And is it now and has it been a public landing?—A. Yes, sir.

Q. And is there a wharf there?—A. Yes.

Q. And how far is that from what you call the public wharf?—A. I could not tell you exactly, but it is not a very great distance away.

Q. Is it all in one harbour?—A. Yes, all in one harbour.

Q. And are they within a mile of one another?—A. Yes.

Q. Probably less than that?—A. I could not tell you exactly but I think it is within that anyway.

Q. Was the dredging performed by the firm of A. & R. Loggie in 1909 necessary work?—A. It was, certainly.

Q. And were they paid any more or any less than the contract which they had signed with the government in the previous year provided for?—A. No sir.

Q. And was the work carried out at the same time strictly in accordance with the terms of that contract?—A. Strictly in accordance with the terms of that contract.

Q. Therefore the country has received the benefit of the payments made in accordance with the terms of that contract?—A. Yes.

Q. And the difficulty is that it was done on the strength of this telegram instead of by an Order in Council?—A. Yes, sir, but it was done of course in compliance with the terms of the contract stating that it might be continued.

Q. And as you have stated the contract provided that if the department so ordered the contract could be continued from year to year?—A. Yes.

Q. And was it done in compliance with the terms of the contract?—A. Yes.

Q. Does the contract say that it can only be extended by Order in Council?—A. It doesn't say anything as to that.

By Mr. Bernard:

Q. About what size is the town of Dalhousie?—A. I could not tell you, I know it is quite a centre.

Q. Do you know about how much money has been spent on that harbour?—A. As far as building wharfs is concerned?

Q. Dredging?—A. No, I cannot tell you, I could not give you the amount.

By Mr. Carvell:

Q. It is here, this year it was \$31,362.50?—A. There is one item there of \$31,000 spent that year.

By Mr. Barnard:

Q. Do you know what was spent the year before?

MR. CARVELL.—There were 44,000 cubic yards in 1908, that would be \$22,000, and \$31,000 in 1909, a little over \$50,000 altogether.

By Mr. Barnard:

Q. What is the principal business of the port?—A. Lumbering, I think.

By Mr. Crocket:

Q. You said, Mr. Lafleur, that this arrangement was carried out in strict pursuance of the terms of the contract, have you examined into that question particularly?—A. No, sir, I know there was a contract.

Q. One of the terms of these dredging contracts, of this one at any rate is, is it not, that the contractors cannot work more than 12 hours in a day without the written authorization of the chief engineer or the resident engineer?—A. That was one of the terms of the old contracts, I do not know whether it is of the contracts to-day or not, I think the time is limited to 12 hours a day.

Q. Well, you have the contract there—12 hours a day?—A. Yes.

Q. Here are the returns of the work done at Dalhousie (File handed to witness). There is the first return, just look at that, there are 13 and 14 hours there and 1,170 cubic yards in a day in that week. There is one day there of 13 hours with the result of 882 cubic yards and another day of 14 hours with the result of 1,131 cubic yards?—A. Yes.

Q. That would be nearly \$600 for that day's work that this firm would get?—A. According to the number of yards of course at the rate of 50 cents a cubic yard. There is no objection to a dredge working more than 12 hours a day. If you notice they have 12 hours on one day here and 885 cubic yards, while on another day they have 13 hours with only 721 cubic yards.

Q. Yes, but just follow this out, there are three or four days of 14 hours in that return, are there not?—A. Yes.

Q. One day of 14 hours gives 1,171 cubic yards, and another day gives 1,115 cubic yards and another gives 1,131 cubic yards?—A. Yes.

Q. That is on each of these three days that firm at that rate made out of that dredge's operations over \$550 a day at the rate of 50 cents per cubic yard?—A. Yes, at the rate of 50 cents per cubic yard.

Q. And one condition of the contract was that the day's work should be limited to 12 working hours?—A. Well it was only a shortening of the duration of the work.

Q. Where is that provision? (Document handed to witness).—A. Here it is, "not more than 12 hours."

Q. Is not this one of the terms of that contract: (Reads)

"And for the purposes aforesaid, the contractors shall work during all the day, unless the permission of the engineer in charge of the work be given in writing for the prolongation of the hours of work which permission shall be given only in case the work proceeds to his satisfaction."

—A. Yes, and there are a number of days on which they cannot work 12 hours and the department allows them to make up for it.

Q. I am not discussing that, but is not that the case—

MR. CARVELL.—Allow the witness to complete his answer, please, he was going on to say what the department does.

—A. I was going to say that there are a number of days in which they cannot work 12 hours and they make it up by working 13 or 14 hours on some other day

and the department are perfectly willing to allow them to do that, because the work has to be done, there is a certain yardage to be done, and whether it be done in a month or six weeks doesn't matter to the department because the prices are the same.

By Mr. Crocket:

Q. I am not discussing the question of whether the department is justified in doing it or not. Does not that provision in the contract limit them to 12 hours work except the engineer in charge of the work authorizes in writing the time to be extended?—A. That is the absolute wording of the clause.

Q. And yet you stated to Mr. Carvell that they carried out this work in strict conformity with all the provisions of the contract.—A. They did so.

Q. When you made that statement you did not really base it upon an examination of this contract and of the returns, or did you, particularly?—A. No, not particularly; but as I say I know there are a number of days in which they cannot work 12 hours, and that happens to every dredge, and the consequence is they make it up on some other days.

Q. I want to call your attention to another fact here; this work at Dalhousie was performed by the dredge—A. *Hayward*.

Q. *Hayward*?. Do the regulations require the contractors in filling tenders to state the capacity of the dredges and the scows?—A. Not at that time.

Q. Well, you can just see if it wasn't in their tender. (Document handed to witness.) Isn't the capacity of the dredge *Hayward* stated in that tender of Messrs. Loggie?—A. Yes.

Q. The capacity there stated by the contractors themselves is from 30 to 75 cubic yards.—A. Per hour.

Q. And the capacity of the scows?—A. 100 cubic yards.

Q. Well, I call your attention to some of these figures on the return. There is the dredge *Hayward* specified there, that is the same firm and that item there is for 12 hours work with the same dredge, is it not?—A. Yes.

Q. And it gives how many cubic yards in this inspector's return?—A. 1,005.

Q. That exceeds the capacity of the dredge, the maximum capacity as stated in their specification.—A. I can see that.

Q. Well, take it at 75 yards, at the maximum capacity, 12 hours, 75 yards per hour?—A. Yes.

Q. That is to say that if they had the full maximum capacity, as stated by them in their tender, 30 to 75 yards, they would get only 900 cubic yards.

MR. CARVELL.—How much did they get?

MR. CROCKET.—They got 1,005 yards, did they not?—A. Yes.

By Mr. Crocket:

Q. Now as to the capacity of the scows. You say that in their specification they say that it was 100 yards each?—A. 100 cubic yards.

Q. Well, it does not show whether these are the same scows, or not. Under the regulations are they supposed to perform the work with the plant that is specified in the tender?—A. Oh they can bring in any plant at all that they want to put on the work.

Q. They can use any plant at all?—A. Yes, certainly, as long as they perform the work satisfactorily.

Q. Then these specifications will not amount to very much?—A. Yes, they do, as showing the department that they had the necessary plant to perform the work.

Q. As a matter of fact is not the whole thing left in the hands of the resident engineer to make arrangements for the work?—A. To direct the dredging, but not as to other matters.

Q. As to the plant, is it left with him?—A. No, he has to see that the plant is equal to do the work it is called upon to perform.

Q. The resident engineer?—A. Yes.

Q. And if he is satisfied, all right, he can give the consent of the department to a change of scows, tugs, dredges or anything else?—A. Oh certainly, if he thinks the dredges are efficient to perform the work he can allow them to proceed. If it is not he is obliged to report.

Q. About the inspection, you do not know or have you any knowledge as to how this inspection was done?—A. I cannot tell you.

Q. You have told us it was the second August before it came to the department—before the knowledge came that they had gone on with the work?—A. According to the papers.

Q. And they had been at work since 12th July?—A. Yes, sir.

Q. You know of no inspection having been arranged for in the meantime?—A. No, sir.

By Mr. Carvell:

Q. Would you say there was no inspector?—A. I would not say that, sir.

Witness retired.

Committee adjourned.

EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

DREDGING--DALHOUSIE, BATHURST, CARA- QUET AND LOGGIEVILLE

No. 2—FEBRUARY 3 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1911

MINUTES OF EVIDENCE

COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

Friday, February 3, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock, a.m., the Chairman, Mr. A. B. Warburton, presiding.

The Committee resumed the consideration of \$31,362.50 to A. & R. Loggie for dredging at Dalhousie, N.B., as set out at Page V—248 of the Report of the Auditor General for the fiscal year ending 31st March, 1910.

Mr. GEOFFREY STEAD, called, sworn and examined.

By Mr. Crocket:

Q. Where do you reside?—A. At Chatham, N.B.

Q. You are the resident engineer of the Public Works Department?—A. I am, sir.

Q. What counties in New Brunswick does your district cover?—A. Restigouche, Gloucester, Northumberland, Kent and Westmorland counties.

Q. You have supervision then of the dredging done by the Public Works Department at Dalhousie and at Bathurst?—A. Yes.

Q. You are aware, of course, that a large amount of dredging was done at Dalhousie in the season of 1909?—A. Yes.

Q. The Auditor General's Report here gives \$31,362.50 as the sum that was paid to the firm of A. & R. Loggie for dredging at Dalhousie, 62,725 cubic yards at 50 cents?—A. Yes.

Q. When did you first learn that dredging was under way at Dalhousie in that season?—A. Early in July.

Q. Early in July?—A. Yes.

Q. Can you state what date in July you first learned it —A. I learned that they were about to dredge there on the 7th of July.

Q. How do you fix that date, have you a diary?—A. I had a telegram. I was in camp at Sussex at the time and my clerk also telephoned me that A. & R. Loggie had reported that they were about to start dredging at Dalhousie.

Q. That A. & R. Loggie had reported to your clerk that they were about to start dredging at Dalhousie?—A. Yes.

Q. And you say that was on the 7th of July?—A. The 7th of July, yes.

Q. Had you, up to that time, received any instructions from the Department of Public Works as to the continuation of the dredging at Dalhousie?—A. No.

Mr. CARVELL.—I beg pardon, hadn't you received a letter from the department about the dredging?

Mr. CROCKET—At Dalhousie?

A. Well, I had received a letter saying—

Q. Have you the letter with you?—A. Yes, it is on that file. (Indicating file.)

Mr. CARVELL—On May 13.

By Mr. Crocket:

Q. From whom had you received the letter?—A. From the chief engineer.

Mr. CROCKET—No, May 13, it isn't here.

Mr. CARVELL—A telegram about the appointment of Louis Allain.

By Mr. Crocket:

Q. That is on May 25?—A. May 25.

Q. Is this the letter you refer to, Mr. Stead (indicating document)?—A. That is the letter I refer to.

Q. That letter is as follows (Reads):

SIR,—In case the Loggie dredge works at Dalhousie and Campbellton, N.B., this season, you will appoint Mr. Louis Allain as inspector, providing he is competent to fill the position.

Yours obediently,

(Sgd.) EUGENE D. LAFLEUR,

Chief Engineer.

That is the letter you refer to?—A. That is the letter.

Q. Is that the only instruction you had previous to the 7th of July when you were informed by your clerk that the Loggies were to resume work there?—A. That is the only instructions from the department I had.

Q. And those instructions were that in case the Loggie dredge worked at Dalhousie you were to appoint Louis Allain as inspector?—A. Yes.

Q. 'Providing he is competent to fill the position?'—A. Yes.

Q. Had you received any instructions at all from the department during the season of 1909, other than this letter from Mr. Lafleur of the 25th of May in reference to the dredging at Dalhousie?—A. Yes.

Q. That is after the 7th of July, what was the first?—A. On August 4 I see a communication from the chief engineer to myself, and on August 17th there is another.

Q. On August 4th?—A. Yes.

Q. That was the first instruction after the letter of the 25th of May?—A. Yes.

Q. August 4th was the first—is this the communication you refer to from Ottawa, August 4, 1909 (Reads):—

Geoffrey Stead, Chatham, N.B.

Notify Contractors Loggie that there is no appropriation for dredging at Dalhousie and that work is not authorized.

(Sgd.) U. VALIQUET,

For Chief Engineer.

A. Yes.

Q. Did you notify Mr. Loggie?—A. I did

Q. Which member of the firm did you notify?—A. I cannot be quite sure of that. I wrote to the firm.

Q. You wrote to the firm?—A. Yes.

Q. From Chatham?—A. From Chatham.

Q. Did you see any member of the firm personally in reference to it after receiving the telegram of the 4th of August?—A. I think not—not that I recall.

Q. Well, just think, I would like you to be sure of that, whether you notified them personally or in writing?—A. I have a copy of a telegram to them, I sent them a telegram.

Q. From Chatham?—A. Chatham.

Q. To whom did you send it?—A. No, I gave them a copy of that telegram, handed it to them, I made a note that a copy of that telegram was given to A. & R. Loggie on August 5th, yes.

Q. Where did you give it to them?—A. In Chatham, I believe.

Q. Well, can't you say which member of the firm it was you gave it to; was it Andrew Loggie or Robert?—A. No, probably either Frank or Robert.

Q. Either Frank or Robert?—A. Yes.

Q. Was it at Chatham or Loggieville?—A. At Chatham.

Q. Did you telephone to the Loggies to come to your office in reference to the matter?—A. I cannot say whether I did or not.

Q. You have no recollection of it?—A. No, but I think the chances are that I did though.

Q. The chances are that you did telephone?—A. Yes.

Q. And that one of the members of the firm, either Robert or Frank, came to your office at Chatham?—A. Yes.

Q. And you handed him a copy of this telegram?—A. Yes.

Q. And what did Mr. Loggie say to that?—A. He mentioned having received a telegram authorizing the work.

Q. Yes, did he show you the telegram?—A. Yes.

Q. And that was the telegram from Mr. Lafleur?—A. The telegram from Mr. Lafleur.

Q. Notifying the firm that they were authorized to continue the work at Dalhousie on the same terms as last year?—A. Yes.

Q. Now you say that was on August 5th?—A. August 5th I gave it to him.

Q. On August 2nd, before you received this notification from Mr. Lafleur, you had written to the department, had you not?—A. Yes.

Q. This letter?—A. Yes.

Q. Have you your file there, you had better follow it as I read it. (Reads):—"Chatham, N.B., August 2nd, 1909. Sir,—Messrs. A. & R. Loggie, contractors for the dredging at Dalhousie, N.B., have resumed work there, under authority from the department, the expenditure being limited to \$10,000. I cannot find anything to this effect in my correspondence and should be much obliged if you would confirm these instructions in a letter to myself.—Yours obediently, (Sgd.) Geoffrey Stead, Resident Engineer." And after you wrote that letter you received notice from the department that there was no appropriation and that that work was not authorized?—A. Yes.

Q. By telegram on August 4th, and on August 5th you say you handed Mr. Loggie a copy of that telegram; and on July 7th you had been informed by your clerk that Messrs. Loggie had notified her that they would resume the work?—A. Yes.

Q. Now, had you received any instructions from the department in reference to Bathurst or Caraquet or any other points in New Brunswick by the Loggie firm previous to July 7th?—A. Yes.

Q. Well I would like you to see what that is. (Document handed to witness).—A. (Reads): "Ottawa, June 7, 1909. To Geoffrey Stead, District Engineer, Chatham, N.B.—A. & R. Loggie have been authorized to proceed with dredging required at Bathurst on the same terms and conditions as last year. Expenditure to be limited to nine thousand six hundred dollars. (Sgd.) Eugene D. Lafleur, Chief Engineer."

Q. Had you received any instructions from the department in reference to the dredging at Caraquet?—A. (Reads)—"The following firms have been authorized to proceed with dredging at places needed—"

This is dated June 1st, 1909—"expenditure to be limited to amounts mentioned. A. & R. Loggie, Caraquet, ten thousand dollars. Peter England, Miramichi river, near Barnaby island, six thousand dollars. W. J. Poupore Company, Limited, Miramichi bay, twenty thousand dollars.—Eugene D. Lafleur, Chief Engineer.

Q. Are these the only New Brunswick dredging contracts of which you were notified by the department?—A. At that time as far as I remember.

Q. Well, I want you to be sure about that, Mr. Stead, as to whether you received any other notification of dredging contracts, or the renewal of dredging contracts in New Brunswick than these?—A. I think that is all, at that time.

Q. That is all at that time?—A. Yes.

Q. So that there was a telegram, as I understand it, dated the first of June?—A. The first of June, yes.

Q. In which the Loggie firm was mentioned as being authorized to continue at Caraquet?—A. At Caraquet, yes.

Q. And a telegram on the 7th of June in which you were notified that they were authorized to proceed at Bathurst?—A. At Bathurst, yes.

Q. Now, when you received that telegram of the 1st of June did you have any communication with the Loggie firm, or with any member of the Loggie firm in connection with it?—A. I cannot tell you, I don't remember.

Q. You do not remember?—A. No. The chances are that I did, though, because they were preparing for dredging and we were within telephone communication, and I think that I knew about that time that they had also had instructions to proceed with dredging directly.

Q. Dredging where?—A. At these places.

Q. At the places that were mentioned in the telegram to you?—A. Yes.

Q. At that time and before the 7th July, did you know from any member of the firm that they had received a telegram to continue the work at Dalhousie?—A. I cannot remember when they notified me of that first. I have a copy of their telegram under the date of 1st of June, but whether they told me—

Q. You have a copy of the telegram to the firm?—A. Yes.

Q. Of the 1st of June?—A. Yes, they gave me a copy of the telegram.

Q. When did they give you that?—A. That I cannot tell. Of course I was away a good part of June and the early part of July, and I cannot tell exactly when they gave me that.

Q. Cannot you tell me whether you got that, or any, intimation from the firm before your clerk telephoned you at Sussex on the 7th of July?—A. I think that I did because I was not surprised when I heard from my clerk that they intended to dredge at Dalhousie, taking in that and the chief engineer's letter stating that if dredging was resumed at Dalhousie to appoint Louis Allain. I was prepared to appoint Louis Allain, and I think at the same time that I was aware that they expected to dredge there.

Q. You have no doubt of it now, Mr. Stead? Just think a little bit and see.—A. I am telling you my recollection, Mr. Crocket.

Q. Have you any doubt that Mr. Loggie communicated with you when he got his telegram of the 1st of June or immediately after that. You got a telegram the same date in reference to this dredging?—A. In reference to the dredging?

Q. At Bathurst?—A. Yes.

Q. Did you have any communication with the Loggie firm, or any member of the firm, on that date, or within a day or two afterwards, in reference to what dredging they were to do?—A. It is very probable that I did, but I cannot tell.

Q. Do you not remember?—A. No, I do not, positively.

Q. You do not remember that you had any communication?—A. No, I do not, positively. I remember just what I told you, Mr. Crocket. When my clerk telephoned me that they were prepared to dredge in Dalhousie, I was not surprised under the information that I had here.

Q. You were not surprised?—A. No, not so far as the information as I had here.

Q. But you had received no instructions yourself from the department in reference to it?—A. I had received no instructions, no.

Q. And you knew, did you not, that it would be irregular for any contractor to proceed to work without instructions from you?—A. Certainly.

Q. It would be irregular to proceed without instructions from you to do that or any dredging within your district?—A. Well, it is not regular.

Q. Now, you say that you got these instructions in reference to the appointment of an inspector at Dalhousie?—A. Yes.

Q. On the 25th of May? Had you appointed an inspector?—A. When?

Q. Had you appointed an inspector up to July 7th?—A. No.

Q. When did you appoint an inspector?—A. On July 7th I telegraphed the inspector.

Q. On July 7th?—A. Yes.

Q. Have you got the appointment there?—A. (After referring to file). No. July 8th, I beg your pardon.

Q. Just read the telegram you sent?—A. (Reads):—"To Louis Allain, Dalhousie. Resume duties of inspector to-day. Dredging to be continuation of that done last year at Hilyard's wharf and Ferry basin. Appointment follows." That was telegraphed by my clerk after telephoning to me.

Q. And under your direction?—A. Under my direction.

By Mr. Carvell:

Q. And that was your authority to inspect by a regular appointment?—A. By the regular appointment.

By Mr. Crocket:

Q. When you made that appointment, Mr. Stead, you had received no instructions from the Public Works Department authorizing the continuation of dredging at Dalhousie?—A. No.

Q. And in your letter of 2nd August you stated so?—A. Yes.

Q. And Mr. Loggie had informed you that, and had handed you a copy of the telegram from Mr. Lafleur in which it was stated that the firm was authorized to proceed with dredging at Dalhousie?—A. Yes.

Q. Did you not communicate with the department in reference to that and ask for an explanation until the 2nd of August?—A. No.

Q. You did not?—A. No.

Q. And on the 8th July you proceeded to appoint an Inspector without your having any authority from the department for the continuation of the work?—A. It was that in effect. Yes, it was that in effect.

Q. You had some doubt, did you not, as to whether there was proper authority to proceed with the work at Dalhousie?—A. On the 2nd of August I had, yes. The way it was was this: I had had a number of telegrams, those telegrams that I have read to you.

Q. There are only two on the file?—A. There are only two there, but when I came back from camp I had a tremendous amount of correspondence.

Q. When you came back from where?—A. From the militia camp. I had an immense amount of correspondence, and I was very busy indeed, and I thought at the time that those telegrams included Dalhousie, and when I began to get my letters off my hands fairly well at that time, I began to wonder whether Dalhousie was actually included under those places for which I had instructions. I remember speaking to my clerk about it and we went into it together and looked over those, and I was very much surprised when I found that I had no instructions in the Dalhousie matter. Then I wrote to the department to get a letter to myself instructing me in regard to the Dalhousie dredging. I thought up to the 2nd of August in the great press of work that I had at the time, that I had instructions for the dredging at Dalhousie.

Q. You thought you had?—A. I thought I had, yes.

Q. And do you tell me that it was only on the 2nd of August you discovered that you had not?—A. It was only on the 2nd of August that I discovered that I had not.

Q. That you had not instructions?—A. Yes.

Q. What is the regular course in reference to dredging contracts, so far as the resident engineer is concerned?—A. We are notified that the contract has been let, and I had been notified of course the previous year.

Q. You are notified a contract has been let?—A. Yes.

Q. Are you given any instructions to lay out the work?—A. Yes, and I had that the previous year under the same contract.

Q. Yes, I understand you had instructions the previous year.—A. Yes, and they had not completed their work in the previous year.

Q. They also did work the previous year for Bathurst and Caraquet did they not?—A. Yes.

Q. And you received instructions with reference to those that the contractors were authorized to continue the work?—A. Yes.

Q. You know that a contract is not renewed without a direction from the department beyond the close of the fiscal year?—A. Yes. The government have the right to cancel the work of course at the close of the fiscal year and to renew it.

Q. And the practice is always for an Order-in-Council to go through renewing the contract and for instructions to go down from the Public Works Department to the resident engineer?

Hon. Mr. PUGSLEY.—How would he know there was an Order-in-Council?

Mr. CROCKET.—If he does not know he can say so, Doctor. He has said so.

By Mr. Crocket:

Q. You knew that that was the practice, did you not, Mr. Stead?—A. I know that I have been authorized in other cases.

Q. Did you not say a moment ago that you knew that that was the practice in reference to the extension of dredging contracts?—A. Did I say so?

Q. Did you not say that you knew it was the practice for an Order-in-Council to go through and for instructions to go down from the Public Works Department to the resident engineer?—A. I said—

Mr. CARVELL.—You have incorporated two questions in one, which makes it extremely difficult for the witness to answer. There is no doubt that he knows instructions go down and you are asking him if he does not know, at the same time; that it is the custom to pass an Order-in-Council to continue the work. The witness is answering two questions and perhaps he has said yes to both when the answer to one should be "yes," and "no" to the other.

Mr. CROCKET.—What I want to find out is whether Mr. Stead has altered his answer because of the suggestion made to him.

Hon. Mr. PUGSLEY.—I do not think it is a fair question to ask the witness, and I did not understand him to say that an Order-in-Council was always passed. I would be surprised if he would say that because he would not know it.

On the suggestion of Mr. Sharpe, North Ontario, the stenographer read Mr. Crocket's question on the subject and the witness's reply thereto.

By Mr. Crocket:

Q. Now, Mr. Stead, did you not hear my question as to whether it was not the practice in reference to the extension of dredging contracts for an Order-in-Council to be passed, authorizing the extension, and for instruction to go down from the Public Works Department to the resident engineer?—A. You didn't mention Order-in-Council in your first question at all to me.

Q. Let me ask you that now.—A. I beg your pardon, Mr. Crocket, I did not answer the question in reference to any Order-in-Council at all.

Q. You did not?—A. No. You asked me what was the procedure, as I understand it, after the contract was let, and I said that I was notified when the contract was let. And I had been notified before when the contract was let and the contract was not completed.

Q. I then went to the question of renewing contracts after the close of the year?—A. Well, there was no Order-in-Council mentioned then.

Q. Well, we will not have any further discussion about that, but I will ask you this:—Are you aware, as resident engineer of the department, that the practice with reference to the renewal of dredging contracts is for an Order-in-Council to pass, authorizing the department to renew them, and for the department to pass on the instructions to the resident engineer?—A. No, I am not aware that an Order-in-Council is needed for the renewal of a contract.

Q. You are not?—A. No.

Q. But you are aware that instructions, fresh instructions go down at the beginning of each dredging season to the resident engineer?—A. Yes.

Q. For the renewal of any contracts that it is intended to renew?—A. No, at that time I do not believe I knew it was necessary, at that time. I considered if a contract were let, unless it was rescinded, that the Contractor would have the right to go on with it.

Q. To go on?—A. Yes.

Q. But the Loggie firm had a contract for Caraquet just as they had at Dalhousie the previous year?—A. Yes.

Q. And you received an instruction with reference to that notifying you that they were authorized to proceed?—A. Yes.

Q. And you received an instruction also with reference to the work at Bathurst?—A. Yes.

Q. But you did not receive any instruction with reference to the work at Dalhousie?—A. No, but I thought I had up to the second August.

Q. But as a matter of fact you had not?—A. As I have explained. That is the only explanation I can give.

Q. And on the 8th July you appointed an Inspector?—A. Yes.

Q. Now, when you spoke to Mr. Loggie on the 5th August and handed him a copy of the telegram stating that there was no appropriation and no authority to proceed with the work, did Mr. Loggie intimate to you then that he would go on notwithstanding?—A. I do not remember that he did.

Q. You do not remember?—A. No.

Q. Did he say that he would see or write the minister or deputy minister or—?—A. I do not remember; I think something to that effect, but I do not know who, I do not remember.

Q. That he would see the minister or the deputy?—A. No, I do not think he said he would see the minister. I think he said he would write to Mr. Reid.

Q. That he would what?—A. I think he said he would see Mr. Reid or write to Mr. Reid, who was member for the county.

Q. Do you remember that, that he did say he would see or write to Mr. Reid?—A. I am reasonably certain of that, yes.

Q. Well, when you say you are reasonably certain are we to understand that you remember he did so?—A. I think you can understand that, yes, Mr. Reid was the one who was spoken of.

Q. Well, did he say he would speak or write to the minister or deputy minister?—A. No, I think he did not.

Q. Do you remember positively that he did not?—A. I do not remember positively, but I think not.

Q. But you wont say positively that he did not?—A. Yes, I am practically positive that he did not.

Q. Mr. Stead, when I asked you first if Mr. Loggie on that occasion spoke or mentioned that he would see or write the minister or the deputy minister, didn't you say "Yes, something to that effect"?—A. I mentioned he would write, yes, he would write, but not specially to those people. I think now he actually said he would get Mr. Andrew Loggie who was in Dalhousie to see Mr. Reid about it. That is about it. I am sorry if my memory is slow, but it is slow.

Q. That he would get Mr. Andrew Loggie to see Mr. Reid?—A. Yes.

Q. Is that all that occurred at that time, is that all the conversation that followed your communication to him of the instruction from the department that there was no authority for the work?—A. No, I am very sure he must have said more about it, but I do not remember particularly.

Q. Well, did you understand or not that day that you communicated that to Mr. Loggie, that he was to proceed with the work?—A. I understood that the dredging was needed, but whether it would go on or not I could not say. I understood that Mr. Reid would probably see it was done.

Q. Will you answer my question, Mr. Stead. Did you or did you not understand that day from Mr. Loggie that the firm was to proceed with the work notwithstanding this instruction that you communicated to him from the Public Works Department?
—A. I did not.

Q. You did not know?—A. No.

Q. You did not understand whether they were to proceed or stop?—A. I understood then that they would stop.

Q. You understood that they would stop?—A. Yes.

Q. Did you instruct them that they must stop?—A. I gave them the telegram and that was sufficient, I supposed.

Q. You simply gave them the telegram?—A. Yes.

Q. Did you discuss with them the effect of their going on with the work after that notification?—A. Actually, Mr. Crocket, I don't remember. You are speaking of a meeting which I don't remember very much about. Now, that is the fact.

Q. Have you any memorandum with reference to this conversation or instruction?—A. No.

Q. Have you a diary?—A. Yes.

Q. Have you it with you?—A. No, I have it at the hotel.

Q. But it is in Ottawa here?—A. It is in Ottawa.

Q. Do you think reference to the diary would refresh your memory at all?—A. No, I do not think there was any mention of Mr. Loggie.

Q. Well, I would like you to bring the diary?—A. Yes, I will.

Q. You reported to the department, did you, the fact that you had notified the firm?—A. Yes.

Q. That the work was not authorized?—A. Yes.

Q. That was on the 14th August?—A. Yes, on the 14th August.

Q. That was nine days after the conversation with Mr. Loggie?—A. Yes.

Q. What was the cause of that delay?—A. The cause of the delay was that having telegraphed me they would assume that I had notified Mr. Loggie at once. That is the reason for the delay.

Q. You were notified by telegram on the 4th August to notify the contractors to that effect?—A. Yes.

Q. And you did not report to the department until the 14th August when you wrote a letter?—A. Yes.

Q. And was there no communication between you and the department between the 4th August and the 14th August in reference to the subject?—A. No.

Q. None at all?—A. At least I do not think there was, no.

Q. Now, is it not your practice, Mr. Stead, when you receive an instruction requiring an answer from the department by telegram to answer by telegram?—A. If it requires an answer by telegram.

Q. Is it your practice or not when you receive a telegraphic instruction from the department requiring an answer to answer by telegram?—A. It is, almost in every case.

Q. But in this case you delayed nine days and then wrote a letter?

Mr. CARVELL objected to the question on the ground that Mr. Crocket was importing something in to the telegram which did not exist.

The CHAIRMAN.—The witness would be right to state that this telegram did not require an answer and that is what I understood him to say.

Mr. CARVELL.—The question is framed on untrue premises.

Mr. CROCKET.—The question is based entirely on the answers the witness has already given.

The CHAIRMAN.—I understood the witness to say that this was a case which did not require an answer by telegram.

By Mr. Crocket:

Q. The witness gives as his explanation why he waited nine days that he supposed the department would assume he had notified the contractors. Is that the explana-

tion, and the only explanation you have to offer?—A. The telegram did not say "Reply by wire," and I did not reply by wire.

Q. So much for the telegram, but why delay until the 14th, nine days, in answering the telegram by letter?—A. Well, why reply to the telegram at all?

Q. We do not want to get into any controversy, Mr. Stead. It will be better to answer my questions and not direct questions to me. I am going to ask you why did you delay from the 4th August when you were instructed to that effect by telegram, to the 14th August?—A. Because the telegram did not require an answer.

Q. You say you took it for granted that the department would assume you had carried out their instructions?—A. Certainly.

Q. But you did refer to the telegram, however, on the 14th August?—A. Yes.

Q. And at that time you had received an account from the Loggie firm?—A. Yes.

Q. For the dredging of the month of July?—A. Yes.

Q. Amounting to \$5,043?—A. Yes.

Q. And in the letter of 14th August you inclosed that account?—A. Yes.

Q. And stated that the work was done by the authority of the telegram of which you inclosed a copy. That was the telegram that the Loggies had received, a copy of which you think they gave to you?—A. Yes.

Q. And you have told us already that you received that telegram before the 7th July?

Mr. CARVELL.—No, he says he had received some notification of it.

By Mr. Crocket:

Q. Have you any doubt that you did get the Loggie telegram and that you received it before the 7th July?—A. I was away you know for two weeks of that time, and just when I received that telegram I cannot tell.

Q. Didn't you state that you thought at least you had received that telegram before you were notified by telephone from Sussex by your clerk?—A. I said I was not surprised to hear that they were going to work at Dalhousie, but I did not say I received a telegram because I could not say I had received that telegram.

Q. Well, I want an answer, one way or the other; did you or did you not, receive that telegram from Loggie within a day or two after the first of June?—A. I cannot answer that.

Q. You cannot answer that?—A. No.

Q. Will you swear that Mr. Loggie did not show you that telegram on the first of June or within a day or two after that date?—A. I won't swear that.

Q. Mr. Stead, don't you know that he did?—A. I do not—I could swear to it if I did.

Q. But you will not swear that he did not?—A. No.

Q. And you have already stated that you did know before the 7th of July from Mr. Loggie that they had got a telegram authorizing them to proceed with the work?—A. I have stated that I was not surprised to hear that they were going to work; I must have had an intimation that they had that authority.

Q. You have no doubt you had an intimation, have you?—A. No, I haven't any doubt.

Q. You have no doubt that you had an intimation from Mr. Loggie that they had received that authority?—A. That is so.

Q. Before the 7th of July when you received information at Sussex?—A. Yes.

Q. But you had not communicated, you hadn't written to the department in reference to it or asking for any instructions until the 2nd of August?—A. The 2nd of August.

Q. And in your letter of the 2nd of August you never mentioned the telegram?—A. No.

Q. You didn't mention the telegram?—A. No.

Q. But you knew on the 2nd of August when you wrote that letter that they had that telegram?—A. Yes, I must have known that because it was then I found I had

no telegram to the same effect myself, I must have known it then.

Q. But when you wrote that letter on the 2nd of August you knew that the Loggies had received this telegram in which Dalhousie was substituted for the word Bathurst?

Hon. Mr. PUGSLEY—He did not say that it was substituted, he had no means of knowing that there had been a substitution.

Mr. CROCKET—The evidence shows that it must have been substituted.

Hon. Mr. PUGSLEY—But this witness did not know it, it had all the appearance of being a genuine telegram.

By Mr. Crocket:

Q. On the 2nd of August you knew that the Loggies had received a telegram from the department authorizing them to proceed with the work at Dalhousie?—A. I say:

Messrs. A. & R. Loggie, contractors for the dredging at Dalhousie, N.B., have resumed work there under authority from the department, the expenditure being limited to \$10,000. I cannot find anything to this effect in my correspondence and should be much obliged if you would confirm these instructions in a letter to myself.

I was wrong you see as to the amount, I hadn't any definite word.

Q. Do not get away from the question. When you wrote that letter did you or did you not know that the Loggies had received a telegram from Mr. Lafleur authorizing them to proceed with the work at Dalhousie?—A. Yes.

Q. But you did not mention that in your letter of the 2nd of August?—A. No.

Hon. Mr. PUGSLEY—Is it right for Mr. Crocket to say that, the witness says it was under the authority of the telegram from the department.

The CHAIRMAN—I think the witness might be asked what authority there was.

By Mr. Crocket:

Q. Now, you got a copy of this telegram and in a letter of the 14th of August you inclose it to the department?—A. Yes.

Q. And then you received in reply that letter from Mr. Valiquet of the 17th of August, in which it was stated that there was no such telegram sent from the Public Works Department?—A. Yes.

Q. And in which it was stated that under the circumstances the account for Dalhousie dredging cannot be sent in for payment?—A. Yes.

Q. You knew, Mr. Stead, on the 17th of August, did you not, that the Loggies were proceeding with the work at Dalhousie notwithstanding this notice from the department that was no authority from the department for the work?—A. Well, I have nothing to show that.

Q. Well, did you know or did you not?—A. Perhaps I can tell you; I received the report for July on the 13th of August, and I did not get another report until the 23rd of August. I received the inspector's report for July on the 13th of August showing that they had worked up to the 31st of July, that is as far as I knew they had worked.

Q. And you received the July report on what day?—A. The 13th of August.

Q. On the 13th of August; that was a week or more after you had received notice from the department that there was no authority for the work—the 4th of August?—A. Yes.

Q. And when did you receive the next report?—A. On the 23rd of August.

Q. On the 23rd of August, and that report of the 23rd of August shows, does it not, that the work proceeded without any interruption?—A. Yes.

Q. And it related to work up to August the 13th?—A. Yes.

Q. That is the very day on which you wrote to the department inclosing their telegram, and you continued to receive those reports throughout the whole season did you not?—A. Yes.

Q. You received them regularly?—A. Yes.

Q. And did you notify the department that you were receiving them?—A. I forwarded them to the department.

Q. You forwarded them to the department?—A. As soon as they were received I forwarded them to the department.

Q. When did you forward the July report? You say you received it on the 13th of August, when did you forward it?—A. On the 13th of August I received it and forwarded to the department the report up to July 31st.

Q. Yes, you forwarded it the same day that you received it?—A. Yes.

By Mr. Carvell:

Q. Pardon me, I think it must be the 14th because the letter is dated the 14th.—A. That was the account for the July dredging; the inspector's report was received and forwarded on the 14th.

Q. And have you the letter of the 13th inclosing it to the department?—A. There were no letters sent with these reports.

You just inclosed the report in an envelope?—A. We do that in every case or in almost every case.

Q. And the second return which you say you received on the 23rd of August?—A. That was received on the 21st of August and forwarded on the 23rd.

Q. And forwarded on the 23rd?—A. Yes.

Q. And the next one?—A. Was received on the 2nd of September and sent on the 18th of September.

Q. Received on the 2nd of September?—A. Yes.

Q. Why the delay in forwarding that?—A. I think there was something that was not completed, I think I had to return it for information.

Q. That third return was not complete and you returned it to whom?—A. To the inspector.

Q. To Mr. Allain?—A. Yes, either that or I was away.

Q. Then the fourth report, when was that received?—A. The fourth report received on the 18th of September and sent on the same day, the 18th of September.

Q. It was received on the 18th of September and sent on the same day?—A. Yes.

Q. Now the next one?—A. Was received on the 14th of October and sent on the 22nd of October.

Q. And the next one?—A. Was received on the 22nd of October and forwarded on the 22nd.

Q. Is that the last?—A. The last was received on the 12th of November and forwarded on the 22nd of November.

Q. Up to what time was that work mentioned?—A. That was up to the 2nd of November.

Q. Up to the 2nd of November?—A. Yes.

Q. And while all this was going on, you receiving these returns and forwarding them to the department, you had no instructions from the department after the notification of the 4th of August that the work was authorized—

Mr. CARVELL objected that this was not a fair question inasmuch as it put an answer in the witness mouth.

The CHAIRMAN—The proper way is to ask the question directly.

Mr. CROCKET—I will alter the question, but I suppose in the meantime Mr. Stead has had the tip.

Mr. CARVELL object to Mr. Crocket's remark.

The CHAIRMAN—The way in which the question was asked it was really a leading question. Mr. Crocket will have to ask it in another way.

Mr. CROCKET—Mr. Stead can hardly be treated as a friendly or favourable witness.

Hon. Mr. PUGSLEY—I submit, Mr. Chairman, that the witness ought not to be insulted as he was the by the remark of Mr. Crocket.

The CHAIRMAN—I think Mr. Stead is willing to give an answer and the question ought to be asked directly.

By Mr. Crocket:

Q. My question was simply this that the correspondence shows, and the evidence has proved, that while these returns were coming in Mr. Stead had received no instructions, after the 4th of August, when he was instructed to notify the Loggies that there was no authority for the work; do you—

Mr. CARVELL objected to the question as containing a statement which was not true and not founded in fact, the record showing that Mr. Stead was instructed on the 22nd of September to forward these reports.

The CHAIRMAN—Ask the witness the direct question, Mr. Crocket.

By Mr. Crocket:

Q. Did you, Mr. Stead, or did you not, receive any further instructions from the department following the notice to you of the 4th of August that there was no authority for the work?—A. Yes.

Q. Until the 22nd or the 24th of September?—A. No, not until the 24th of September.

Q. Not until the 24th of September?—A. No I had no letter from the chief engineer until then.

Q. That is the letter dated Ottawa, 24th of September?—A. Yes.

Q. And in the meantime you had received how many returns and forwarded them to the Department?—A. I had received two returns.

Q. Up to the 24th of September?—A. Yes, according to the dates I gave you; what date is that?

Q. I am not sure.—A. I forwarded one set of returns on the—

Q. 14th of August or was it the 13th of August?—A. Yes, the 13th August, the 23rd August, and the 18th September. No, there were four. There were two forwarded on the 18th September.

Q. On the 18th September?—A. Yes.

Q. How many had you received before the 24th September?—A. I had received the same four which I had forwarded.

Q. And when did you receive the fifth?—A. I have five here. Yes, five.

Q. You had received five returns?—A. Five returns before the 18th September.

Q. Before you received the letter of the 24th of September, is it?—A. The 24th September.

Q. And you had received them in regular course?—A. Yes.

Q. What is the practice, to make weekly returns or fortnightly?—A. The practice is now weekly returns. In many cases they were sent fortnightly though, as these show.

Q. The practice you say is to send weekly returns?—A. The practice is now weekly.

Q. But in some of these cases they were made fortnightly?—A. Yes.

Q. To whom were these returns addressed at Ottawa?—A. To Mr. E. B. Godwin.

Q. You were away during all this time that the work was proceeding?—A. Yes.

Q. Had you been down to Dalhousie to inspect the work and see the progress that was being made?—A. I think I was at that time, yes, about that time. I don't remember just when I was down there.

Q. As resident engineer is it not your duty to visit the sites of dredging periodically?—A. Either myself or my assistants.

Q. Could you tell me how many times you were at Dalhousie during that season?—A. I think I was only at Dalhousie twice in that season.

Q. You may look up your diary, your diary would show that would it not?—
A. Yes.

Q. And also your accounts for travelling expenses?—A. Yes they would also show it.

Q. I would like to find out how often you were at Dalhousie in connection with that work?—A. Yes.

Q. Were you there between the 4th of August and the 24th September?—A. I cannot tell you that.

Q. Did you have any conversation with Mr. Loggie—either Robert Loggie, or Andrew Loggie, or Frank Loggie—after the conversation which you have already given evidence of on the 5th of August with reference to this work at Dalhousie?—

A. Oh, I must have had conversations with them, but I do not remember.

Q. On this subject?—A. I do not remember particularly. I do not remember any particular conversation on that subject, no.

Mr. CARVELL.—Speak louder, please.

The WITNESS.—I don't remember any particular conversation on that subject.

By Mr. Crocket:

Q. Did you say that you never discussed with any member of this firm the work at Dalhousie going on in violation of the instructions of the department?—A. I don't remember any particular conversations with A. & R. Loggie.

Q. You don't remember that?—A. After I pointed out the telegram that the work was not authorized.

Q. When you received the first return—which was, I think you said, on the 13th August—did you write to Mr. Allain or the Loggies about it?—A. I wrote to Mr. Allain a day or so before then—

Q. That is the Inspector?—A. (Reads): I have received a telegram of which the following is a copy. I gave him that copy and I said "I have notified Mr. Frank Loggie of this on receipt, but would you kindly inform Mr. Andrew Loggie."

Q. Is that a telegram or a letter?—A. That is a letter.

Q. To Mr. Allain, the inspector?—A. Yes.

Q. And did you get any acknowledgment of that from the inspector?—A. I have no letter acknowledging that. (After referring to file), No.

Q. Did you tell the firm, or any member of it, that the work must stop under that direction?—A. I must have told them that.

Q. You must have told them?—A. Yes.

Q. Was that after the conversation of the 5th of August?—A. Yes.

Q. With Robert Loggie?—A. With Frank Loggie.

Q. With Frank Loggie?—A. Yes.

Q. Did you cancel Mr. Allain's appointment?—A. No.

Q. Nothing further than that communication which you have already mentioned?—A. Nothing further than that communication.

Q. Mr. Allain, appointed by you, went on?—A. Yes.

Q. And he sent in his returns for inspection covering the whole period?—A. Yes.

Q. Notwithstanding that instruction?—A. Notwithstanding that instruction that they were unauthorized.

Q. And his account was paid, or have you knowledge of that?—A. I have no knowledge of that.

Q. On the 22nd of September, 1909, Mr. Pugsley authorizes this memo. for the chief engineer (reads):—

Re Dredging at Dalhousie. Messrs. A. & R. Loggie have sent the original telegram delivered to them by the office of the G. N. W. at Loggieville, which authorizes the dredging at Dalhousie and of which the copy of telegram attached to letter of Mr. James Reid, is an exact copy. Under these circumstances, and as Messrs. Loggie went on in good faith and did the dredging under the directions

of the resident engineer, and as this work was necessary, kindly have the necessary payments made pursuant to the report of the resident engineer.

(Sgd.) W. P.

You observe the statement there that this dredging was done under the direction of the resident engineer?—A. Yes.

Q. Was that dredging done under your direction?—A. It was in this way: that they knew, and the inspector knew where the dredging was required.

Q. It was in this way that who knew?—A. That the inspector knew.

Q. That the inspector knew?—A. Yes. In my instructions to the inspector I told him where the dredging was to be. That was the instructions on the 8th July.

Q. You told him where the dredging was to be on the 8th July?—A. Yes.

Q. And at that time you had no authority from the department to give those instructions?—A. I had no authority from the department, but I thought I had.

Q. How would you describe the dredging being done under the direction of the resident engineer?

Mr. CARVELL—The witness did not write the letter in question, it was the minister who did so, and it is for the minister to put the construction on it.

Mr. CHAIRMAN—You are asking what Mr. Stead himself said.

Mr. CROCKET—Yes.

Mr. CARVELL—I don't think this witness is called upon to put a construction upon the acts of the minister.

Mr. CROCKET—He can only give an answer as far as he knows.

The CHAIRMAN—If I understand Mr. Crocket aright, he is asking the witness himself as to what he has just said is his view.

Hon. Mr. PUGSLEY—The question was in regard to my letter.

Mr. CROCKET—I am asking the witness as to his own views, as the Chairman has said.

Mr. CARVELL—I have no objection to that.

By Mr. Crocket:

Q. When I say dredging is being done under your directions, as resident engineer, what do you take that to mean in the ordinary course of the business of the department?—A. In what way do you mean that question? It is a wide question.

Q. You have supervision, have you not, as resident engineer, of all the dredging work within your district?—A. Yes.

Q. When dredging work is put under your direction it is done under your direction, in the ordinary practice of the department what does that mean?—A. That means that I have to lay out the dredging in the first place.

Q. Yes?—A. This dredging was laid out. It was laid out in the previous year, and the inspector had instructions from me on the 8th July as to where the dredging was to be done.

Q. Did you visit the work periodically to see how it was progressing at Caraquet and at Bathurst?—A. Yes, I did at different times during the summer.

Q. At different times during the summer?—A. Yes, but I cannot give you the dates now.

Q. You did that after being notified by Mr. Lafleur that there was no authority for the work?

Hon. Mr. PUGSLEY—Pardon me, he was not notified by Mr. Lafleur. He was notified by Mr. Valiquet but he could not find the telegram. That is a different proposition. Mr. Lafleur is the chief engineer who had given the authority presumably, but the notice is from Mr. Valiquet.

Mr. CROCKET—The minister is right, it is Mr. Valiquet.

By Mr. Crockett:

Q. Did you do that after receiving this notification on the 4th of August that there was authority for this work and no appropriation.—A. I did it after the letter on the 24th September to send in all the accounts.

Q. Did you do it before that?—A. Whether I was there between these times I cannot tell you. I was there during the summer at any rate, while the work was in progress, myself and my assistants.

Q. If you cannot answer the question more positively than that I want you to look up your Diary and travelling expenses and see whether you visited that work as you did the dredging at Bathurst and at Caraque.—A. Yes. I will do so.

Q. Now, the letter that you refer to on the 24th September is as follows:—

SEPTEMBER 24th, 1909.

SIR,—With regard to the dredging done by Messrs. A. and R. Loggie, at Dalhousie, N.B., I have to ask you to send me certified weekly reports of the dredging operations, and a certified account in duplicate, for the amount due the firm.

Yours obediently,

(Sgd.) U. VALIQUET,
For Chief Engineer.

GEOFFREY STEAD Esq.,
District Engineer, P.W.D.,
Chatham, N.B.

Q. That limited it to the amount due the firm, did it not?—A. The amount due the firm, yes, although there was no—

Q. Did you or did you not understand that related to the account for July, which you inclosed, amounting to \$5,043, and with reference to which Mr. Valiquet, acting for the Chief Engineer, said that under the circumstances the account for Dalhousie dredging could not be sent in for payment?—A. No. I didn't understand from that letter what the limit actually was.

Q. You did not understand what the limit was?—A. No.

Q. But you say that it was the custom to send in weekly reports for the amounts due the firm?—A. Yes.

Q. Now in the meantime, I understand from you that you had sent them in?—A. I had sent in the weekly reports, yes.

Q. So that when Mr. Valiquet asked you on the 24th September to send weekly reports in he was asking for something that you had been doing right along?—A. Yes.

Q. Were the certified weekly reports that you had already sent in?—A. They were the reports I had already sent in.

Q. And these reports were certified by you?—A. Yes.

Q. Over your signature?—A. Yes.

Q. Did you sign them as you received them regularly?—A. I signed them as I received them. I sent them in at different times.

Q. You signed them as regularly as you received them and sent them in?—A. Yes.

Q. What was your certificate as to the correctness of these returns?—A. There is no form of certificate with them. We simply signed them.

Q. There is no certificate?—A. No.

Q. There ought to be a certificate, ought there not?

The CHAIRMAN—I think there is no regular form of certificate.

WITNESS—Not so far as I know.

13063a—2

By Mr. Crocket:

Q. Ought there, or ought there not?—A. I go as far as my instructions are in that respect, and I do not see exactly what we could certify.

Q. The weekly returns bear your signature all the way through, do they not?—A. Yes.

Q. Geoffrey Stead, Engineer in Charge?—A. Yes.

Q. Engineer in charge all the way through?—A. Yes.

Q. And they bear the signature of Dunlop. Who is Dunlop?—A. I do not know.

Q. Don't you know he is Captain of the Loggie dredge?—A. Oh, yes, I beg your pardon.

Q. And the Inspector, Lewis Allain?—A. Yes.

Q. And these went through in the regular course?—A. Regular course, yes.

Q. With the exception of the details you have spoken of?—A. Yes.

Q. Then did you interpret this letter of the 24th as an authority for the continuation of the work?—A. I say there was no definite limit given in that letter.

Q. You observed that there was no definite limit?—A. Yes, I took it that way.

Q. But that the request was for the amount due the firm?—A. Yes.

Q. And the only account that you had sent in was the account for July, about \$5,000?—A. Yes.

Q. With reference to which Mr. Valiquet had stated that it could not be sent in payment?—A. Yes.

Q. And then the minister's instruction followed that, as I have read the minister's instructions, and following that two days after, there is this direction from Mr. Valiquet to you for the sending of these weekly reports of the dredging operations, a certified account in duplicate for the amount due the firm?—A. Yes.

Q. Is that the only direction you had from the department after the 4th August?—A. I think that is the only direction. You have no other copy, have you?

Q. No, that is all I can find?—A. Well, that is all there is.

Q. And the work notwithstanding you say went on to the 2nd or 3rd November?—A. 2nd November, yes.

Q. The accounts came regularly to you, and the weekly returns?—A. Yes.

Q. And were certified by you and sent on to the department?—A. Yes.

Q. Until the whole thing amounted to \$31,362.50?—A. About that amount, yes.

Q. Now, the telegram that Mr. Loggie, or the firm got, and the telegram you got both limited the work to \$10,000, or was it \$9,600?—A. I did not get any telegram limiting the amount.

Q. You got no telegram?—A. No.

Q. My impression was that that was the one at Bathurst?—A. Yes.

Q. At Bathurst the instruction you got with reference to dredging at B limited the amount to \$9,600?—A. Yes.

Q. And the telegram that Mr. Loggie gave you, and the copy of which you sent to the department, that reached Dalhousie limited the work to \$9,600?—A. Yes.

Q. But the work went on until these 62,723 cubic yards had been dredged at 50 cents?

Mr. PUGSLEY.—You use the words "limited the work"; I do not know whether you do so advisedly but the word is "expenditure."

By Mr. Crocket:

Q. Well, expenditure. You knew that that expenditure was to be limited under the telegram to Mr. Loggie to that amount, \$9,600?—A. Yes, of that telegram.

Q. And you were aware right along that a quantity of dredging was being done as shown by these weekly returns?—A. I was.

Q. And certified the returns regularly?—A. Yes.

Q. When you received the letter of September 24th, asking you to send in the certified weekly returns and a certified account, did you ask for any instructions as

to what was meant, and as to whether it was intended that the work should proceed?—A. No.

Q. You did not?—A. September 24th, no. I did not reply to that.

Q. Do you mean to tell me, Mr. Stead, that you took that letter of September 24th, following the telegram of August 4th, as authority to you to proceed with this work?—A. By that time you see the expenditure, according to the report sent on, was more than that.

Q. Well, just answer my question, Mr. Stead?—A. I did not take it that that letter limited the expenditure when I got it. I took it it was the intention to complete the work.

Q. Do you wish to be taken as saying that you took the letter of September 24th as cancelling the telegram of the 4th August, and authorizing the work to be proceeded with to the end of the season?—A. Yes.

Q. You do?—A. Yes.

Q. And that is the only authority you have for proceeding with the work?—A. Yes, of course as regards that I did not alter my former word to the contractor when I showed him my telegram. I had no further authority to give the contractor. He was going on at his own risk.

Q. You know Mr. Allain, Lewis Allain?—A. Yes.

Q. And you say you appointed him on the 8th July as Inspector. Your instruction was provided from the Chief Engineer, I think, provided he is competent?—A. Yes.

Q. And in the case of the Loggie dredging works at Dalhousie and Campbellton. Did you hear Mr. Andrew Loggie give evidence here last year with reference to Mr. Allain?—A. No.

Q. You were not here at the time he was being examined?—A. No.

Q. What is Mr. Allain's occupation?—A. He has a boarding-house, I understand.

Q. A boarding-house or a hotel?—A. I believe a boarding-house but I do not know absolutely. Is there any difference between them? I think he has no regular hotel there. I never saw that he had a regular hotel.

Q. Is he a liquor dealer?—A. I do not know as a fact whether he sells liquor or not.

Q. Of your own knowledge?—A. No.

Q. You do not know he has a license to sell spiritous and fermented liquors?—A. No.

Q. You do not know that of your own knowledge?—A. No.

Q. Well, this is what Mr. Loggie said when he was examined here last year?

Mr. PUGSLEY—I do not think that my learned friend can read to the witness evidence given last year. This witness was not present he says and did not hear Mr. Loggie.

Mr. CROCKET—I am going to base a question or two upon it.

The CHAIRMAN—I think it would be better, Mr. Crocket, to ask him directly.

Mr. CROCKET—I am going to call his attention to the evidence. He was asked to appoint a man if he were competent and I am going to ask if he made any inquiries. This is Mr. Andrew Loggie who is being examined:—

Q. Was there an inspector on the work at Dalhousie?—A. Yes, sir.

Q. What is his name?—A. Lewis Allain.

Q. Do you know him pretty well?—A. Yes, sir, fairly well.

Q. Is that the man that was appointed?—A. Yes.

Q. What is his occupation when he is not looking after dredging inspection?—He is inspector; when he was not inspecting the dredges in 1903 he fished salmon, and kept a boarding-house.

Q. Is it a boarding-house or a hotel?—A. It was not a hotel then.

Q. Has he a license?—A. It was not a hotel. He did not have a license then.

Q. Has he a license to sell liquor?—A. He has a license now, but not then.

Mr. CARVELL—And at that time, Mr. Crocket, if you read further on I think you will find that this man had ceased to be Government Inspector, shortly after his house was converted into a hotel with a license. If you want to give this witness the facts you ought to go on and give the whole of them. As soon as he got the license and became a hotel-keeper he was discharged from being an Inspector.

By Mr. Crocket:

Q. Is that the same man that you appointed this year?

Mr. PUGSLEY—Not this year; it is 1909.

Mr. CROCKET—I mean this year of which we are speaking.

By Mr. Crocket:

Q. Now, I call your attention to this evidence and ask did you make any inquiries as to the competency of Mr. Allain to check dredging and send in dredging returns?—A. When, Mr. Crocket?

Q. This year?—A. Not this year, not in 1910.

Q. Did you in 1909?—A. I had experience of his work in 1908. Was he not employed before?

Q. I think that was the first year, 1908?—A. He was Inspector in 1908 and I found him a good Inspector and I consider he is a thoroughly honest and reliable man.

Q. Has your attention ever been called—in the first place you were somewhat interested I suppose in the evidence given with reference to the work at Dalhousie last year. As Resident Engineer in Charge you would have sufficient interest to read the evidence over?—A. I have not read it all.

Q. Did you read this? This is Mr. Loggie's examination to be found on page 361 of last year's Evidence taken before the Public Accounts Committee:—

Q. Do you know a man named T. E. Durham, who worked on the dredge?—A. Yes.

Q. How long was he at Dalhousie?—A. I really could not say to the exact time.

Q. Do you know of him bringing an action against Allain for services, for doing inspection work?—A. I do not, I heard that he did but it is mere heresay.

Q. You heard he did?—A. Yes, sir, for making out two reports, as I understand it, that this man Durham filled in two reports for Lewis Allain, just did the writing, filled them in for him.

And further down.

By the Chairman:

Q. Did you hear what the action was for?—A. Mr. Chairman I will tell you.

Mr. CARVELL—Doing some clerical work he says, filling out a report?—A. Yes, that he suggested to him he would do it as he was a good writer. This is the information I got after it was all over. As a sequel to that I put him off the dredge.

Q. Why?—A. Because he was not a good man; he used to get drunk, and I put him off the dredge and of course he was put out.

“This is the gossip part of it, and he went to Louis Allain and made him pay some amount for filling in those two returns.

Q. How much did you hear he made him pay?—A. Thirty dollars.

Q. And he did that for filling in two accounts?—A. Yes, that is what was told me.”

Q. Do you know whether Mr. Allain made out his returns, whether he is able to?—A. Oh, all along he signs them, I do not think he has ever written out all of them—oh, yes, in some cases he has.

Q. He is not a writer, a good penman?—A. He is not an expert penman, no.

Q. You know that he has someone to make out his returns, do you?—A. I have seen that he returns are not all in Mr. Allain's writing.

By Mr. Carvell:

Q. Will you repeat that answer, please?—A. I have seen that his returns are not all made out in his own handwriting, but he signs them all, I know his signature.

By Mr. Crockett:

Q. Why are they not made out in his own handwriting?—A. I presume it is because he gets someone else to do them for him.

Q. Someone who could do it better?—A. Yes.

Q. But that was the gentleman that you appointed inspector as a competent man?—A. Yes, we do not include expert penmanship in the inspector's qualifications.

Q. I am not holding you responsible, you had to make the best appointment you could under authority from the department. I notice on May 13th, 1909, a memo. for the deputy minister, the first document on the file. (Reads):

In case the Loggie dredge works at Dalhousie and Campbellton, N.B., this season have Louis Allain appointed inspector.

(Sgd.) WILLIAM PUGSLEY.

Now, this work, you say, was begun in 1908 at Dalhousie?—A. Yes.

Q. Did you prepare plans or specifications of the work before tenders were called for?—A. On which contract?

Q. The one which was let in 1908?—A. I prepared reports in regard to the quantities of dredging.

Q. Have you those reports?—A. I haven't the original reports here.

Q. You were asked to bring all the papers in reference to this matter?—A. All the papers, yes.

Q. I understand Mr. Lafleur to say on Wednesday that the first report that appeared on the files of the department was one dated July 9, 1908. Have you got that there?—A. No.

Q. Well, that is already on record, you can look it over and see if that is the report you refer to (document handed to witness)?—A. That is the report on that dredging, but I do not remember now whether before the St. Lawrence dredged there in 1905 I made a report then or not.

Q. But in reference to the 1908 dredging is that the first report that you made to the department in reference to the dredging that was undertaken in that year?—

A. It is partly included in that work that was done then by the St. Lawrence. I think there was a former report in 1904 or 1905 in reference to the work done by the St. Lawrence, of which the dredging done by A. & R. Loggie was a continuation.

Q. This reference here is that in August, 1905, the St. Lawrence was ordered to do a few days' dredging in the basin at the Ferry wharf?—A. Yes, it is not a new thing.

Q. But this is dated the 9th of July, and I think the Loggies were notified two or three weeks before this that their tender had been accepted?—A. There was a great deal of dredging work included in their contract at Dalhousie besides that.

Q. Do you remember if that was under the old contract?—A. No, I can't tell you that. Mr. Shewan reported on the dredging required in Dalhousie, which is part of the Loggie's contract in 1895.

Q. In 1905?—A. In 1895.

Q. I am speaking of the dredging begun in 1908?—A. That is all the same.

Hon. Mr. PUGSLEY.—The witness says that this is a continuation of that work upon which there was a full report.

Q. That was at the Ferry wharf?—A. Mr. Shewan's report was on the old railway wharf.

Q. The old railway wharf at Dalhousie?—A. Yes.

A. That is what is known as the public wharf?—A. Yes, and the whole harbour front.

Q. Sometimes called the deepwater wharf?—A. Yes.

Q. In this letter of the 9th of July, 1908, you say:

SIR,—I have received your telegram of the 9th instant as follows: 'Reported Loggies' dredge now at Dalhousie. Please put her at work immediately and appoint Lewis Allain as inspector.'

I sent Lewis Allain his appointment as inspector on the 1st of July. On the 6th instant I saw the captain of the dredge *Hayward* belonging to Messrs. A. & R. Loggie and gave him instructions as to the dredging at Dalhousie. I also gave him the letter, a copy of which I inclose.

In August, 1905, the *St. Lawrence* was ordered to do a few days' dredging in the basin at the Ferry wharf.

That was the government dredgs, wasn't it, the *St. Lawrence*?—A. Yes.

Q. Continues reading:—

It is asked that a considerable amount of dredging be now done there.

A survey of this whole basin has been partly made and will be completed as soon as possible when the amount of dredging required will be determined. The western side of this basin is bounded by the wharfs of the Dalhousie Lumber Company. The width between the ferry wharf, now being rebuilt by the department and the Dalhousie Lumber Company's wharfs is about 150 feet and it is desired that the dredged area include the whole section between the latter wharfs and the ferry wharf and approach to the latter.

The basin if deepened would form a convenient and desirable harbour and shelter for schooners and the smaller square rigged vessels.

The pierhead of the ferry wharf as rebuilt is close piled so that berths around it may be excavated without danger to the wharf.

Yours obediently,

(Sgd.) GEOFFREY STEAD,

Resident Engineer.

E. D. LAFLEUR, Esq.,

Chief Engineer D.P.W.,

Ottawa.

You will find, Mr. Stead, that the letter was written after the awarding of the contract. That (handing the file to witness) is the contract for Dalhousie. Just look up the date?—A. 17th day of August, 1908.

Q. It is dated 17th of August?—A. Yes, 1908.

Q. Mr. Lafleur stated that they were notified in June, and that it was the 18th of June that their tender had been accepted?—A. Yes. I did not hear that.

Q. Are you able to say whether the letter of the 9th July was written after the Loggies had been notified that they had been awarded the contract and that their tender had been accepted?—A. No, I am not able to say. What was this contract for?

Q. Just the dredging at Dalhousie without any specification as to locality, depth, width or anything else?—A. It is the usual form.

Q. This is Mr. Lafleur's evidence from the stenographer's notes of a previous examination. (Reads):—

Q. Now, tenders had been called for previous to this letter?

That is the letter I have just read. (Continues reading):—

A. No, sir, I do not think so. They could not have been.

Q. Well, when were the tenders called for?—A. Tenders were called by public advertisement, and only one tender was received, the A. & R. Loggie.

Q. What was the date of the call for tenders?—A. On June 16 the firm of A. & R. Loggie were notified that their tender for dredging at Dalhousie had been accepted.

Q. But your first report to the department for that year upon the question of dredging at Dalhousie, as I understand your evidence, in this letter of the 9th July, 1908?—A. Oh, no, there were other reports upon which these tenders were called.

Q. That is what I want to find out. Have you brought those documents with you?—A. No.

Q. Why did you not bring all your papers with you; you were asked to do so?—A. The chief engineer will have all my reports.

Q. But the chief engineer says all the papers he has got have been introduced. He says there is nothing else on file in the department. When this dredging was to be done at Dalhousie, what would you take that contract to apply to? You notice it is simply for dredging at Dalhousie, it does not indicate anything else?—A. I know that the first dredging done at Dalhousie was at the public wharf in the year 1908.

Q. And you understood that contract, did you not, Mr. Stead, to apply to that?—A. Well, it was made general. It might take in any necessary dredging.

Q. You think it might?—A. Yes.

Q. Well, what was your understanding when you were notified and this contract came in; where did you understand this dredging was to be done?—A. In the first place at the public wharf.

Q. At the public wharf?—A. Yes.

Q. Well, in August, 1905, the St. Lawrence was ordered to do this dredging?—A. That is at another public wharf.

Q. It is asked that another considerable amount of dredging be done there?—A. Yes.

Q. This is the initiation of this dredging, is it, at which is called the ferry wharf?—A. No, because they had asked for it for some years and the St. Lawrence had worked there before.

Q. So far as this year is concerned, and after that contract was awarded, was this the first suggestion that dredging be done at the ferry wharf?—A. That contract was made general and there was no reason under that contract why dredging should not have been done there as well. I do not know whether I made any rough estimate of the dredging at the ferry wharf before that, but it was certainly required and the St. Lawrence could have completed it. There was no reason why it should not have been done under this contract.

Q. Now, I am asking you if the suggestion of yours in the letter of the 9th July is not the first suggestion, so far as that contract and that year is concerned, that dredging be done at the ferry wharf?—A. Well, I cannot tell you about that, but very likely it is. You see you are speaking of the public wharf and this dredging is as much at the public wharf as the other dredging.

Q. We will come to that later. What I want to find out is how this thing was switched from the public wharf onto the ferry wharf.

Mr. CARVELL.—I object to the word 'switched.'

Mr. CROCKET.—It is an expression of my own.

Mr. CARVELL.—It is not a fair expression.

Mr. CROCKET.—I am just saying that I want to find out how this thing was switched from one to the other. Mr. Stead, you understand what I mean.

Hon. Mr. PUGSLEY.—The objection to that is that the witness has not stated that it was switched. He said on the contrary that it was under consideration and that the contract covered necessary dredging work at Dalhousie.

By the Chairman:

Q. The contract was a general one to cover the whole work there?—A. Yes.

By Mr. Crocket:

Q. This is information you are conveying to the chief engineer of the department?—A. Yes.

Q. It is asked that a considerable amount of dredging be now done there?—A. Yes.

Q. Now, who asked that dredging be done there?—A. The people generally asked for that.

Q. The people generally?—A. Is there not a petition with those papers (pointing to file)? There is no account of any petition being sent in, is there.

Q. Not that I am aware of?—A. The harbour master would ask that the dredging be done.

Q. Who is the harbour master?—A. Mr. Smith.

Q. What are his initials?—A. Mr. W. S. Smith, and Mr. Hilyard would ask for dredging there. Mr. Hillyard, of the lumber company, was asking for that dredging. Another man who was most pressing was the man who runs the steamer between Quebec and Dalhousie and Campbellton.

Q. What is his name —A. I forget his name.

By Mr. Pugsley:

Q. That is a public steamer, passenger and freight?—A. He was very insistent. Mr. Reid could give the name I am sure.

By Mr. Crocket:

Q. Did they ask you personally?—A. That ferryman was bothering me every time. He used to speak to me every time I went to Dalhousie.

Q. Did you know if there was any regular request to you?—A. I do not know.

Q. Was there any request to the department?—A. It would come to the department if there was and it would be in the department files if there was.

Q. You say Mr. Hilyard was one of the gentlemen, and you said in your report: 'The western side of this basin is bounded by the wharfs of the Dalhousie Lumber Company. The width between the ferry wharf, now being rebuilt by the department, and the Dalhousie Lumber Company's wharfs is about 150 feet, and it is desired that the dredge area include the whole section between the latter wharfs and the ferry wharf and approach to the latter.' The western side of this basin is bounded by the property of the Dalhousie Lumber Company, is it not?

Q. And Mr. Hilyard is the manager of the Dalhousie Lumber Company?—A. Yes.

Q. And you say, 'I have instructed the dredge to dredge about the deep water wharf?—A. Yes.

Q. And that is where you began the work, at the deepwater wharf?—A. Yes. It was included in the survey of 1895.

Q. Now, in a letter of 14th September, 1908, Mr. Stead, you say (reads):—

I have received a letter from the Dalhousie Lumber Company to-day saying that the *Hayward* will have dredged the 75-foot strip for the full length to 12 to 15 feet at low water by about the last of September. As the company was aware that Mr. Turgeon was anxious to have the dredge begin work at Caraguet this year they asked that the *St. Lawrence* be then allowed to complete the berth 20 feet low water so that they might be able to build their new wharfs, or rather new face along the old wharfs and put up the conveyors this winter and be ready for shipping from their new mill which is nearing completion this spring.

You wrote that to the department on the 14th September?—A. Yes.

Q. That berth there was the berth of the Dalhousie Lumber Company that you referred to?—A. That was the dredging along the face of their wharf, part of that.

Q. And the dredge *St. Lawrence* was sent in to do that work was it not?—A.

I do not think the dredge *St. Lawrence* did anything more that year. I do not think the dredge went there. It may be.

Q. On 18th September, 1908, Mr. Lafluer wrote answering that letter (reads):—

I have your letter of the 14th inst. with reference to the dredging at Dalhousie, N.B., which you state will be completed in its most important part by the end of the present month. The dredge employed at Dalhousie will have to be moved to Caraquet as requested by Mr. Turgeon, M.P., at the time specified. With regard to the work remaining to be done at Dalhousie for the Dalhousie Lumber Company, the matter will have to be brought up before the department by you later on. Please keep in mind that a dredge must be at Caraquet in the first days of October.

Was not that work that you described in the last paragraph of this letter of 14th September work along the property of the Dalhousie Company's wharf and for the purposes therein mentioned?—A. It was and it formed an approach to the public wharf there. They both were combined. To get to the public wharf you had to go alongside the Dalhousie Lumber Company's wharf.

Q. You have to go alongside the Dalhousie Lumber Company's wharf?—A. You have. It is rather a narrow entrance there.

Q. Is not the property of the Dalhousie Lumber Company bounded on the western side by the basin?—A. Yes.

Q. They own all the property on the western side?—A. Yes.

Q. And this berth spoken of here is the Dalhousie Lumber Company's berth on the western side of that basin?—A. The wharfs belong to them. The water is free. Of course the water affords a free approach to the Ferry wharf.

Q. That dredging done that year was done entirely on the western side of the basin?—A. On the western side of the basin, on the approach to the Ferry wharf. That is, if it says so there.

Q. And the Loggie's dredge was removed to Bathurst. There was a request that the government dredge *St. Lawrence* be sent in to continue the work in order that they might get their conveyors put up and be ready for shipping from their new mill?—A. For shipments to be made.

Witness retired.

Committee adjourned.



EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

DREDGING---DALHOUSIE, BATHURST, CARA- QUET AND LOGGIEVILLE

No. 3 —FEBRUARY 8, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1911

MINUTES OF EVIDENCE

COMMITTEE ROOM NO. 32,

HOUSE OF COMMONS,

WEDNESDAY, February 8, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. A. B. Warburton, presiding.

The committee resumed the consideration of a payment of \$31,362.50 to A. & R. Loggie for dredging at Dalhousie, N.B., as set out at page V—248 of the Report of the Auditor General for the fiscal year ending 31st March, 1910.

Mr. GEOFFREY STEAD recalled.

By Mr. Crocket:

Q. When the committee adjourned on last Friday I had just called your attention to a letter of yours addressed to the chief engineer on the 14th of September, in which you refer to the request of the Dalhousie Lumber Company for the continuation of the dredging along this wharf, and to the letter of the chief engineer to yourself in reply to your letter, in which the chief engineer referred to the work remaining to be done at Dalhousie for the Dalhousie Lumber Company; I asked you if the dredge *St. Lawrence* had worked at Dalhousie after the Loggie dredge had gone to Caraquet or to Bathurst. You said, if I remember correctly, you did not think the government dredge had come into Dalhousie?—A. Yes.

Q. That year. What do you say about that, have you thought of that since?—A. No, not on that point. It would be stated in the printed annual report probably whether the dredge was in there or not; you will find in that report what the dredge did that year.

Q. You know that Mr. Andrew Loggie, a member of the firm of A. & R. Loggie, was summoned to give evidence in regard to the dredging at Dalhousie last year?—A. Yes.

Q. Well, at page 356—

Mr. CARVELL.—Pardon me a moment; perhaps it will be only fair to ask this witness if he had any control over the government dredges.

Mr. CROCKET.—I intended to ask him with regard to that.

Q. At page 356 of the evidence taken before the Public Accounts Committee last year this letter of yours of September 14th, 1908, was read, and Mr. Loggie was asked this question:

Q. Now, do you know if, after your dredge, the *Hayward*, left to go to Caraquet and Bathurst, if the government dredge *St. Lawrence* was put on as requested by the Dalhousie Lumber Company?

and the answer was:

A. The dredge *St. Lawrence* was dredging at that wharf after we left. Do you say you had no personal knowledge of that?—A. I might have had at the time the government dredge was there; at that time they were under the control of the Government Dredging department at St. John.

Q. But your letter of the 14th of September, 1908, communicated to the department, did it not, the request of the Dalhousie Lumber Company that the dredge *St. Lawrence* be allowed to continue the work?—A. Yes.

Q. And you see here that Mr. Loggie stated, when his attention was called to that letter, that the dredge *St. Lawrence* was dredging at that wharf after they left?—A. Yes.

Q. And do you know that the chief engineer of the department, Mr. Lafleur, when questioned here a few days ago in regard to the matter, also stated that the dredge *St. Lawrence* had worked there?—A. I wasn't here at the time he testified.

Q. Did you say you had no personal knowledge that it did?—A. Not at present; I may have had at the time.

Q. You may have had at the time?—A. Yes; if I wanted to find it out, I could look it up.

Q. As resident engineer of the department, would you have no supervision of the dredging done by the government dredge?—A. I would now.

Q. Had you then?—A. No.

Q. You didn't?—A. Oh, last year I had; but not in this case.

Hon. Mr. PUGSLEY.—This will be in 1908.

Mr. CROCKET.—I am speaking of dredging done in the year ending 31st March, 1910.

Hon. Mr. PUGSLEY.—No, work done in the year 1908; that would be in the fiscal year ending 31st March, 1909.

A. Our instructions to that effect came, I believe, the first of last year.

By Mr. Crocket:

Q. The first of last year?—A. Yes.

Q. So you say you hadn't supervision of the dredging done by the government dredges in the fiscal year ending 31st March, 1909?—A. No; we gave them general directions for the work through the superintendent of dredging.

Q. That is Mr. McCordick?—A. I think it was Mr. Scoville at that time.

Q. It was Mr. Scoville?—A. Yes.

Q. You say you gave directions in the year 1908-9?—A. 1909-10.

Q. What about 1908-9, would you give any directions in regard to that?—A. Yes, we sent them plans.

Q. You sent Mr. Scoville plans?—A. Mr. Scoville, yes.

Q. For dredging to be done by the government dredges?—A. By the government dredges, yes.

Q. What quantity of dredging was done in the ferry basin, so-called, for the last fiscal year, that is the fiscal year ending 31st March last?

Mr. CARVELL.—You mean in the summer and fall of 1909; dredging is only done in the summer time?

A. I have only the quantities done by A. & R. Loggie's dredge.

Q. That does not include any dredging done by the government dredge?—A. No.

Q. What quantity was done by the Loggie dredge in the ferry basin, that is the quantity mentioned in the Auditor General's report and in your letter of the 10th of March last, isn't it?—A. I believe so.

Mr. CARVELL.—You will find it in the letter of the 10th of March, 1910.

Mr. CROCKET.—I have a copy of that letter here but the figures are very indistinct.

Mr. CARVELL.—62,725 is the quantity, I think you will find that is correct.

Mr. CROCKET.—62,725 it is in my copy and 21,963 yards the year before at the ferry basin. Have you the original letter there?—A. No, well probably I have, I was reckoning up the quantities, 62725.

Q. Is that the quantity that was done that year?—A. By A. & R. Loggie?

Q. In the ferry basin?—A. Yes.

Q. Now, can you tell how much of that was done along the wharf of the Dalhousie Lumber Company?—A. No.

Q. Is there no means of determining the quantity of dredging done along the wharfs of the Dalhousie Lumber Company, and how much was done at what you speak of as the public ferry wharf in the same basin?—A. Practically the whole of it was done in connection with the ferry wharf.

Q. You say that practically the whole of it was done in connection with the ferry wharf?—A. Yes, five-sixths of it probably was done in connection with the ferry wharf and was necessary in connection with that wharf.

Q. You say that?—A. Yes.

Q. The ferry wharf was in the same basin?—A. Yes.

Q. On what side of the basin is the ferry wharf?—A. It is rather towards the western side.

Q. The western side?—A. Yes.

Q. Isn't the basin bounded on its western side by the property of the Dalhousie Lumber Company, and does not its wharf form the western boundary of this basin?—A. Yes.

Q. And the ferry wharf is to the east, isn't it?—A. No.

Q. Well, where is it? Have you the plan there?—A. Yes.

(Plan produced.)

Q. Now, where is the Dalhousie Lumber Company's wharf?—A. Here. (Indicating on map.)

Q. And where is the ferry wharf?—A. Here. (Pointing to map.)

Q. This is the line here (pointing to map) on the western side of the basin, along which the wharf of the Dalhousie Lumber Company is built?—A. Yes.

Q. Well then the ferry wharf is to the eastward of that, is it not, as I stated?—A. I stated that it is towards the westerly side of the basin, that is what you asked me, the position of the ferry wharf in reference to the basin.

Q. You misunderstood me. That is what? (pointing to map), the Dalhousie Lumber Company's wharf?—A. Yes, it must be east of it.

Q. What is the distance between the pierhead of the ferry wharf and the Dalhousie Lumber Company's wharf?—A. About 100 to 150 feet.

Q. The pierhead is here (pointing to map)?—A. At the end of the pier, it will be about 150 feet.

Q. And you said that practically the whole of the dredging that was done in that basin was done in connection with this ferry wharf?—A. Yes, I said it was done for berths around the ferry wharf and basin, and the approaches of the ferry wharf.

Q. The approaches to the ferry wharf?—A. Yes.

Q. And this block that you have here coloured in pink indicates the dredging, does it?—A. Yes.

Q. The water in which the dredging was done?—A. Yes.

Q. And did you say that five-sixths of it was done in connection with the ferry wharf?—A. Yes, I said possibly that.

Q. And what was the other sixth done in connection with?—A. The other sixth was giving a somewhat greater depth to the berth in the Dalhousie Lumber Company's wharf used by the steamers that lie there, ordinary steamers in the pulpwood and deal trade, that come and lie there.

Q. And when you speak of the pulpwood and deal trade you mean the pulpwood and the deal trade of the Dalhousie Lumber Company?—A. Yes.

Q. That firm is engaged in cutting and shipping pulpwood to the United States, is it not?—A. And deals.

By Mr. Carvell:

Q. Where would the deals go?—A. To different parts of the world, to England and to South America.

By Mr. Crockett:

Q. So that all dredging that was done in that wharf was done for the accommodation of vessels carrying these deals and pulpwood?—A. No, not at all.

Q. You say not at all; do not the Dalhousie Lumber Company control that wharf entirely?—A. They do not control the ferry wharf.

Q. I am not asking about that, but with reference to the Dalhousie Lumber Company's wharf, don't they control that entirely, can a vessel land there without permission of the Dalhousie Lumber Company?—A. I don't know anything about their control of it, I know that the ferry used it for a portion of the season; the ferry steamer used it for a certain portion of the season.

Q. What was the depth to which dredging was done along the Dalhousie Lumber Company's wharf?—A. To 17 feet below low water.

Q. Your letter that I referred to of 1908, in which you communicated to the department the request of the Dalhousie Lumber Company that the dredge St. Lawrence be sent in to continue the dredging along their wharf stated it was desired to dredge it to 20 feet, did it not?—A. Yes.

Q. And has the dredging been done down to 20 feet?—A. No, 17 feet.

Q. What was the depth of the dredging done at the ferry wharf?—A. At the ferry wharf it was from 12 to 16 feet.

Q. Is that work completed?—A. No, there will be more dredging in that basin.

Q. There is more dredging required in the basin?—A. Yes, I might say that the reason is that there is some accommodation for smaller vessels required there, towards the easterly side.

Q. Towards the easterly side?—A. Yes.

Q. That is here, away from the Dalhousie Lumber Company's property, there is more dredging required there?—A. Yes.

Q. Now, Mr. Stead, don't you know, as a matter of fact, that the Loggie dredge was engaged almost exclusively in the year 1908, dredging along the Dalhousie Lumber Company's property?—A. No it was between the Dalhousie Company's property and the ferry wharf, but what was needed more than anything there was a berth for that ferry steamer, and they can't now—

Q. What was needed you say more than anything else was a berth at this ferry wharf?—A. Yes.

Q. Now didn't you have to examine these weekly returns from the inspector?—A. Yes.

Q. And having examined these returns, Mr. Stead, do you say that the dredge did not work almost exclusively in that year, 1908, along that Dalhousie Lumber Company's wharf?—A. I say it was between the Dalhousie Lumber Company's wharf and the ferry wharf.

Q. What good would that do the ferry wharf if the accommodation which was originally required was for the ferry steamer? What good would that do to dredge between that wharf and the Dalhousie Lumber Company's wharf, the ferry landing is around there, isn't it (indicating on plan).—A. The ferry slip you see is marked on the plan.

Q. And where is the landing made?—A. At the ferry slip.

Q. That is here? (Pointing to plan.)—A. Yes.

Q. By this pierhead here?—A. Yes, you see the word "slip" on the plan there.

Q. Yes, I see that. Now with regard to this island here, Douglas island, do you know if the Dalhousie Lumber Company have acquired that property?—A. I understand that Douglas island belongs to them.

Q. Douglas Island belongs to them, and this old wharf, or what do they call that (pointing to plan)?—A. The slab breakwater.

Q. Connecting that island with the mainland, has also been acquired by the Dalhousie Lumber Company?—A. I believe that was part of the Moffat property which they bought.

Q. So that the Dalhousie Lumber Company own the land that completely surrounds this basin?—A. Practically, except the end of the street.

Q. Yes, the land on the east as well as on the west?—A. So I understand.

Hon. Mr. PUGSLEY.—Does he say it completely surrounds the basin?

Mr. CROCKET.—They own the land that surrounds the basin.

Hon. Mr. PUGSLEY.—But the river front is all open water.

Mr. CROCKET.—So far as the land around that basin is concerned the Dalhousie Lumber Company own it, on the east as well as the west?—A. They do not own the street approach.

Q. Except this street here?—A. Yes.

Q. And is there any scheme that you are aware of or have you made any recommendation in regard to rebuilding this breakwater?—A. There is a report, there has been a request for rebuilding the breakwater.

Q. Is the rebuilding of this breakwater to connect this island with the mainland, with the shore?—A. No, it is a shelter for the easterly side of the ferry basin.

Q. That is the object of it?—A. That is the object of it, and to give approach to the lighthouses on the island.

Q. And you have recommended that, have you not?—A. I do not recommend. In my reports I try to give the facts as fully as I can and I leave it to the chief engineer to recommend the works in general.

Q. But you have submitted to the department, and the department now has a report from you dealing with that question, with that breakwater?—A. Yes.

Q. Which will close in that basin completely?—A. Except the main entrance.

Q. Is there any opening contemplated in the breakwater through which boats might pass into the basin?—A. No.

Q. None; that will provide a convenient roadway for the Dalhousie Lumber Company to this island, will it not?—A. For everybody, yes.

Q. For everybody?—A. Yes.

Q. You have notified the officers of the Dalhousie Lumber Company with respect to the proposed work?—A. Yes.

Q. And conferred with them when you made your report to the Department?—

A. I took the information from them, yes, to make my report.

By Mr. Sharpe (North Ontario):

Q. What is the estimated cost of that breakwater?

By Mr. Crocket:

Q. Did you make an estimate of the cost of the breakwater?—A. Yes.

Q. What was the estimate?—A. About \$25,000.

Q. The Dalhousie Lumber Company were particularly interested in that, were they not?—A. Scarcely more so than the general public; I doubt if any more than the general public.

Q. But you have conferred with the officers of the Company with reference to it.—A. Certainly I did.

Q. And after getting their views you forwarded your report to the department that you speak of?—A. Yes, after getting their general views with regard to the work.

By Mr. Sharpe:

Q. What is the object of the breakwater, to protect the basin?—A. It is to protect the basin and to give access to the lighthouses on the island and to give additional schooner wharfage.

Q. How many lighthouses are there on that island?—A. One lighthouse on the island. I believe it is part of the proposal that the island will not belong to the Dalhousie Lumber Company.

By Mr. Carvell:

Q. After what?—A. After the breakwater is built it will be public property.

By Mr. Sharpe:

Q. What use will it be for, the breakwater, except for the lighthouse-keeper?—

A. It will be used more for the protection of the basin.

Q. But who else will use it besides the public?—A. I do not think it will be used for anything except perhaps for a park, unless the Marine Department make some further use of it.

Q. A park for employees of the Dalhousie Lumber Company?—A. No, for the general public. It will probably belong to the Marine Department at that time.

By Mr. Crocket:

Q. Now, you have stated that five-sixths of this work was done in connection with the ferry wharf. You have said that, if I correctly understood you, that five-sixths of this dredging was done in connection with the ferry wharf?—A. Yes, I said that roughly.

Q. With this explanation that you have made in this plan?—A. Yes.

Q. How much was done at the ferry wharf? What was the length of the cut along the ferry wharf?—A. If you give me the plan I could tell you from the plan. (Handed plan.) The dredging was carried the length of about 100 feet on the east and of about 225 feet on the west side, and it was to form a basin 250 feet long and 150 feet wide on the east side of the ferry wharf.

Q. I am asking about the dredging along the wharf. What was the extent of the cut around or alongside the wharf?—A. It was the whole width of the pierhead and the whole length of the pier.

Q. What is the length of the pierhead?—A. 40 feet.

Q. That was the length of the cut on the front?—A. Across the end.

Q. 40 feet?—A. 40 feet.

Q. And you say the depth was 12 to 16 feet?—A. Yes.

Q. And the length?—A. It was 100 feet on the east, and on the west side 225 feet.

Q. On the east side how long?—A. 100 feet.

Q. And on the west?—A. 225.

Q. Was dredging done along these lengths?—A. About that.

Q. Was it done in the year 1908; how far was that dredging carried around that wharf?—A. It was carried round probably 150 feet along the wharf. You are going back another year.

Q. I am referring to the first year, 1908; you say about 150 feet?—A. About that.

Q. On the east side?—A. On the west side.

Q. On the west side?—A. Yes.

Q. And to the depth of what?—A. To the depth of that inner end; there is only about 8 feet of water.

Q. A depth of 8 feet?—A. Yes.

Q. On the inside?—A. Yes.

Q. That was the side of the basin facing the property of the Dalhousie Lumber Company?—A. Yes.

Q. And the dredging for the Dalhousie Lumber Company wharf, you say, was carried to the depth of 17 feet?—A. In 1909.

Q. What was it carried in 1908?—A. I cannot tell you that.

Q. Now, this letter I have referred to, in this letter of yours of September 14th, 1908, you say:

I have received a letter from Dalhousie Lumber Company to-day saying that the *Hayward* will have dredged the 17-ft. strip for the full length of 12 to 14 feet at low water by about the last of September.

A. That is an answer to the question.

Q. Is that statement correct to your knowledge?—A. I have no reason to doubt it.

Q. (Reads):

As the company was aware that Mr. Turgeon was anxious to have the dredge begin work at Caraqueet this year, they asked that the *St. Lawrence* be then allowed to complete the berth to 20 feet low water, so that they might be able to build their new wharfs, or rather new face along the old wharfs, and put up the conveyors this winter and be ready for shipping from their new mill, which is nearing completion, next spring.

Was it then contemplated that that dredging along the Dalhousie Comany's wharfs should be carried to the depth of 20 feet?—A. Yes.

Q. And has that been carried to the depth of 20 feet?—A. No.

Q. It has not?—A. No.

Q. To 17 feet, did you say?—A. 17 feet.

Q. Do you know if it is intended to carry it to 20 feet?—A. I cannot tell you what the instruction will be for next year.

Q. What have the instructions been?—A. I have no instructions for the following season.

Q. Have you any instructions from the department with reference to the depth to which dredging shall be carried in front of the Dalhousie Lumber Company's property?—A. No.

Q. Did you never have any?—A. Not as to the depth, no.

Q. Under what authority was it carried to that depth—to 17 feet?—A. I presume that that is approved, that the depth was approved.

Q. Was that done under your directions by the dredge?—A. Yes.

Q. Did you have any authority from your department to instruct the contractors to that effect?—A. There are no definite instructions as to the depth.

Q. There were no instructions from the department, you simply took the responsibility upon yourself, did you?—A. My report had gone on—

Q. Did you take the responsibility upon yourself or not to determine the depth?—A. Yes.

Q. In front of the Dalhousie Lumber Company's property?—A. Yes; I had reported before you see.

Q. You had reported before?—A. Yes.

Q. The dredging was done to that depth. Did you get the approval of the department, that is what I want to find out?—A. There is nothing definite as to the depth.

Q. Then you acted upon your own responsibility?—A. I acted in accordance with my reports to the department.

Q. Did you act on your own responsibility without instructions from the department?—A. I gave the plans to the inspector with instructions as to the dredging, yes. It would be in a way on my own responsibility, I suppose, but it was in accordance with reports I had submitted to the department. It is the same way all over.

Q. You did it, and then reported to the department, and they approved it, is that what you mean?—A. No, I had already reported to the department.

Q. That the company desired that?—A. That the dredging was required for their vessels.

Q. And did you get a letter from them authorizing you to direct the contractors to dredge to that depth or not?—A. No, at that time I think I had no instructions in regard to any dredging, as to the depth.

Q. But you ordered the contractor to do it?—A. Yes.

By Mr. Sharpe (North Ontario):

Q. Failing any other instructions would you continue to dredge the full 20 feet?—A. Yes.

Q. If there are no contrary instructions you will go on according to your report?—A. Yes, the proposal is to make 20 feet along this wharf.

Q. That is your report?—A. Yes.

Q. And that is your intention?—A. That is my intention, that is if I have

instructions to continue dredging next summer; that is the necessary depth for that trade.

By Mr. Crocket:

Q. Now, I notice in the report of the Minister of Public Works, or rather of the chief engineer for the last fiscal year at page 192, this statement with regard to the dredging at Dalhousie:

Between July 12 and November 2, 1909, the A. & R. Loggie dredge *Reliable*, afterwards named *Invader*—

A very proper name, I should think.

—worked in the ferry basin at Dalhousie, dredging about the pierhead of the new ferry wharf to form berths for steamers to give 13 feet at low water, and along the western side of the basin, next to the Dalhousie Lumber Company's wharf; a berth for deep-water vessels to be 75 feet wide, 600 feet long, and 20 feet deep at low water.

A. Yes.

Q. That is the official statement of the chief engineer of the Public Works Department. So far as the western side of the basin is concerned that is the property in which the Dalhousie Lumber Company's wharfs are situated? 'Next to the Dalhousie Lumber Company's wharf a berth for deep-water vessels to be 75 feet wide, 600 feet long and 20 feet deep at low water,' did you furnish that information to the chief engineer?—A. Yes.

Q. Your attention having been called to that statement do you wish to alter any evidence you have given now in reference to that dredging?—A. No.

Q. That information was furnished by you to the chief engineer and published in the report?—A. Yes.

Q. Now, in reference to the island and to the proposed construction of a breakwater to connect the island which is the property of the Dalhousie Lumber Company, with the shore, you said, did you, that that would be a convenience to the public generally?—A. Yes.

Q. In what way?—A. Is not this rather another subject?

Q. What is that?—A. Isn't this rather another subject? I am willing to give all the information I can.

Q. It is the same subject we are speaking of and I would like you to explain in what way this breakwater would be a convenience to the public so far as getting across to this island is concerned?—A. Well, really the breakwater is not built for the purpose of giving access to the island, except in so far as giving access to the lighthouse and to the Marine Department's property there is concerned, but it is built, it is necessary because that old breakwater that has been there for years is gradually washing away, and as it is the harbour will be unsafe and in a heavy storm a year or so ago a large barge lying there was washed ashore in the basin by the seas that came partly through that gap—

Q. Seas that were washing over the breakwater?—A. Not over it, but through it. There is a gap in the breakwater which is gradually enlarging, and besides that this gap produces currents in the basin and brings a large amount of silt into the basin, and it is hoped that the depth will be more easily maintained when the breakwater is completed. Then, again, there is very little room for general shipping in that ferry basin and this new wharf which the breakwater will afford will give accommodation for several schooners calling with coal and other shipments from Bonaventure county, Quebec, and other ports, and it is considered it will be used very considerably.

Q. That ferry wharf is the wharf at which the ferry from Bonaventure lands?—A. Yes.

Q. Are there any schooners using that wharf?—A. There are in the summer time crowds of schooners there and it is filled up with coal.

Q. What schooners?—A. Fishing and trading schooners.

Q. What depth of water do these schooners draw?—A. About 16 feet, the largest of them, from that down to 8 or 10 feet.

Q. 16 feet— then you haven't dredged sufficient depth to accommodate 16 foot schooners?—A. We haven't yet got that.

Q. You say you have made that 13 feet?—A. Yes, it is rather more.

Q. Now, Mr. Stead, in reference to the price, the contract price of this dredging at Dalhousie, you have certified for 50 cents a yard as fair and reasonable?—A. Yes, that is by the contract.

Q. By the contract. There was only one tender received in 1908?—A. That I have no means of knowing.

Q. Have you not read the evidence?—A. Which evidence?

Q. The evidence which was taken here the other day?—A. I wasn't here, I think, when it was taken.

Q. I am not asking whether you were here or not, have you read it?—A. No.

Q. You haven't read the evidence of Mr. Lafleur, the chief engineer?—A. No, I haven't seen it until just before I came in.

Q. Now it has already been explained that this determination to have the dredging done in the ferry basin was arrived at after the awarding of the contract to the Loggie firm?—A. You explained that, you stated that.

Q. Yes, and the evidence shows it. You know, don't you, as resident engineer, that after the awarding of that contract the dredge was first put to work at the railway, or public wharf?—A. Yes.

Q. At the deepwater wharf?—A. Yes.

Q. Further up the river?—A. Yes.

Q. How far is it up from the ferry wharf?—A. It is about a mile or three quarters of a mile.

Q. And when you were advised of the awarding of the contract you turned the Loggie dredge to work at the public wharf?—A. Yes.

Q. And she was dredging there until, do you remember what date?—A. No.

Q. Or how long before you suggested to the department that dredging was required at the ferry wharf?—A. No. I don't know the dates.

Q. Was it a few weeks?—A. It must have been, probably two months, I think.

Q. Do you know how much dredging was done at the public wharf?—A. I have the figures somewhere.

Q. About 22,000 cubic yards, wasn't it?—A. I thought it was about 40,000.

Mr. CARVELL.—It was 23,964 he stated in his letter of the 10th of March.

By Mr. Crockett:

Q. And no dredging has been done there since?—A. Yes.

Q. Perhaps last year, but was there any dredging done at the public wharf after the dredge was moved to the ferry basin?—A. There was, last year.

Q. Last year?—A. Yes.

Q. But that would not be in this year's report?—A. No.

Q. So then last year you say it was put back to work at the public wharf?—A. Yes.

Q. Now you spoke the other day about a report back in 1905 for the dredging that was required at Dalhousie?—A. Yes.

Q. I notice in this report—A. About that date, I do not know that I said definitely the date.

Q. In your district estimates which are inclosed in a letter dated the 20th of December, 1905, you say this in reference to dredging at Dalhousie:—

The improvements proposed are:—

1st. Dredging from the 24 ft. contour line inwards to the rear of the proposed wharf and to each side to make an easy approach.

that refers to the railway wharf?—A. Yes, the railway or public wharf, or the old public wharf.

Q. That is one mile further up the river or harbour. (Continues reading).

This would require the removal of 94,800 cubic yards of which 12,600 cubic yards must be removed before the wharf is built and dredging to this extent is therefore included in the contract price for the work. The dredging of the remaining 82,200 cubic yards, at 15 cents, amounts to \$12,330, and is covered by the appropriation for the dredging service.

You estimated dredging in that report as 15 cents per cubic yard?—A. I took that from an old report.

Q. Is that your report or not that I have just read from? Now, do you estimate the dredging at 15 cents per cubic yard?—A. You know whether it is in the report or not, you have the document, I haven't.

Q. Is that your report, or not?—A. You read it out.

Mr. CARVELL.—Let him see the report; is that the original or is it a copy? Document handed to witness.

A. Yes, that is my report.

Q. And you estimated the cost upon the basis of 15 cents per cubic yard?—A. Yes.

Q. And you certify Mr. Loggie's account as fair and reasonable at 50 cents per cubic yard?—A. Yes, that is the contract price.

Q. When you say that it is fair and reasonable you do so simply because a contract has been awarded at that price?—A. We do not have to consider that; there was actually, I find, no necessity for me certifying this at all as the price was fixed by contract, and I did something that was unnecessary; it was not necessary for me to certify to that fact, but it is correct.

Q. But you did certify that it was fair and reasonable?—A. Yes.

Q. If the contract had not been so awarded to that firm at 50 cents per cubic yard, and if you were not bound by contract, would you in view of your estimate of 15 cents, have certified it as fair and reasonable?—A. It was not my estimate; it was an estimate made, I do not know how many years ago, which I took in sending in my report. My report is partly taken from a report of about fifteen years ago.

Q. Well, has dredging gone up or down lately in price? Has the price of dredging been increasing since 1905, or has it been decreasing?—A. It has gone both ways, sometimes we get higher prices and sometimes lower.

Q. Now, Mr. Stead, before I leave that report, that report contemplated entirely dredging at the public wharf?—A. That is all that was mentioned in that report.

Q. That was all that that report referred to?—A. Yes.

Q. Was there any other report than this referring to dredging at Dalhousie before the contract was let to the Loggie firm?—A. I think I have the report here—29th of August, 1905.

Q. Well that is before this?—A. Yes, the 29th of August, 1905. (Reads):

At the ferry landing it is asked that a cut be made 100 feet wide and dredged to 12 feet at low water running inwards from the 12-foot contour line at the river channel, the centre line of the cut to be then in range with the westerly side of the ferry wharf. Thence the cut runs inward in a straight line passing 15 feet to the eastward of the ferry wharf to a point opposite a gap and bridge in the slab breakwater on the westerly side of the ferry slip, and widens out on a line 200 feet long parallel with the westerly side of the ferry wharf and 16 feet therefrom as shown on the plan.

Q. That is to a point 15 feet west, is it?—A. Easterly from the ferry wharf.

Q. Is that your report?—A. That is the instructions to Mr. McCordock where to place the dredge *St. Lawrence*.

Q. That is the government dredge?—A. The government dredge.

Q. That is the matter you refer to, I suppose, in your letter of the 9th of July, when you said that the government dredge did a few days' work in 1905 at this wharf?—A. Yes.

Q. Is that the estimate you refer to?—A. Yes.

Q. Now, in reference to this, you say the price of dredging has gone up and it has gone down since 1905; are you aware that a new contract is being let for dredging at Dalhousie?—A. Yes.

Q. What is the price of the new contract?—A. 27½ cents.

Q. That is for the continuation of this contract that was awarded in 1908 to the Loggies at 50 cents, is it?—A. Yes.

Q. Is it 27½ or 29½ cents? Perhaps this will refresh your memory. It is a statement by the Minister of Public Works in answer to a question by Dr. Daniel in the House. (Reads):

1. Has the government, or any department thereof, made any engagement for dredging at Port Dalhousie, New Brunswick, since March 31, 1910?

2. Were tenders called for this work? If so, who were the tenderers, and what was the price of each tender?

3. Who was the successful tenderer, if any, and was the contract given to the lowest tenderer?

The answer by the Minister of Public Works was:

1. Yes.

2. Yes.

	A	B	C
(1) General Construction and Dredging Co., Ltd.	\$8 00	\$6 00	\$0 29½
(2) The General Construction Co., Ltd.	2 65	0 38	0 38
(3) A. & R. Loggie.	15 00	6 00	0 44½
(4) Frs. Lemoine.	4 00	3 00	0 50
(5) Eastern Dredging Co., Ltd.	15 00	6 00	0 50

Class A, that is rock, is it?—A. Yes.

Q. And Class C, 29½ cents, that is ordinary spoil, is it?—A. Yes.

Q. With reference to the tender of the Eastern Dredging Company, the Loggie's are members and control the Eastern Dredging Company, you know that, do you?—A. I know they are members of the firm.

Q. And they have a tender of their own here, and the Eastern Dredging Company have a tender; there are tenders from both?—A. Yes, there is another man in the Eastern Dredging Company.

Q. Then Mr. Pugsley goes on:—

As the department was of opinion that the two lowest tenders had been awarded all the dredging contracts which they could satisfactorily carry out, the contract was awarded to A. & R. Loggie, who offered to perform the work for the following prices: \$5 for rock-drilled and blasted, and 29½ cents for all materials. So that the contract was awarded to the Loggie firm at the price of the General Construction and Dredging Company, which was the lowest?—A. Yes.

Q. On the ground that the minister was of opinion that that company had all the dredging they could do?—A. Which they had.

Q. Have you been notified of that and the awarding of the contract of Loggie's?—A. Yes.

Q. So that, under the new contract will be this work for 29½ cents which you have been certifying as worth 50 cents?—A. Yes.

Q. And which you estimated in 1905 was worth 15 cents?—A. Yes, I put an estimated cost on it.

Q. How much dredging remains to be done at Dalhousie? Is there an estimate of the quantity?—A. There is an estimate of the quantities.

Q. Remaining to be done?—A. Yes.

Q. How much remains to be done at the ferry basin, so called, and how much at the public wharf?—A. The dredging at the public wharf is I believe completed. I have not the result of the last surveys, but I understand that is completed.

Q. The dredging at the public wharf is completed?—A. That is at the deep-water wharf.

Q. Where the railway works run?—A. Yes.

Q. How much remains to be done in the ferry basin?—A. About 20,000 cubic yards, I estimate.

Q. 20,000?—A. 20,000 cubic yards of earth, and about 4,000 cubic yards of rock, I think.

Q. Where is that 20,000 remaining to be done, along the westerly side of the basin?—A. No, 2,000 or 3,000 cubic yards remain to be done on the westerly side of the basin and the remainder is generally on the easterly side of the ferry wharf.

Q. And where is this rock? Is that along the cut in front of the Dalhousie Lumber Company's property?—A. Yes.

Q. All the rock you have estimated is there?—A. Yes.

Mr. CARVELL.—Just a moment there.

Mr. CROCKET.—I am asking if he made that himself.

WITNESS.—The rock is in that berth and approach to the ferry wharf, and the earth along the Dalhousie Lumber Company's wharf.

By Mr. Crocket:

Q. I understood that this rock that was estimated was all in the cut along the Dalhousie Lumber Company's wharf?—A. Yes, that is in the approach to the ferry wharf.

Q. That does not form an approach to the company's wharf. You pass the ferry wharf before you get to that?—A. No.

Mr. PUGSLEY.—The ferry wharf is farther inland.

By Mr. Crocket:

Q. The ferry wharf is east?—A. The ferry wharf is east of the inner end of the Dalhousie Lumber Company's wharf, which you have to pass to get to the outside. The dredging along the Dalhousie Lumber Company's wharf is merely an approach to the ferry wharf.

Q. Can a vessel turn between the Dalhousie Lumber Company's wharf and the ferry wharf?—A. A small vessel can, but it is not so much there as the basin around the ferry wharf that has been dredged.

Q. What is the estimated cost, Mr. Stead, as to the completion of this work, the 20,000 cubic yards you have spoken of of ordinary spoil and 4,000 of rock, what is your present estimate of the cost required to complete it?—A. I have not figured it out.

Q. You have not figured that out?—A. No.

Q. In regard to last year, the work was done you say after the close of the last fiscal year, during the last dredging season?—A. Yes.

Q. In this basin?—A. Not in this basin.

Q. None in this basin?—A. None.

Q. That was done in the deep-water wharf?—A. Yes.

Q. You spoke the other day of a Mr. Dunlop, whose name appeared on the weekly returns?—A. Yes.

Q. He was foreman, was he, of the Loggie dredge?—A. He was captain of the dredge.

Q. What was his christian name?—A. I do not know.

Q. You do not know his christian name?—A. I think he just put his initials on his reports.

Q. Was he at Dalhousie?—A. Oh I see his name is John J. Dunlop.

Q. Is he in the employ of the Loggie firm now?—A. I do not know.

Q. You do not know whether he is or not?—A. No.

Q. Did you see him during your visit to Dalhousie, during the progress of this work?—A. I believe I did. I don't remember the man specially. I must have met him if he was captain of the dredge; I saw the captain of the dredge whoever he was at the time.

Q. Did you meet him last year in connection with any later dredging?—A. I do not know. I do not know all their captains. I know very few of them.

Q. When you visited the operations did not you see the Captain?—A. Oh, yes.

Q. But you don't remember seeing him on the dredges last year?—A. No.

Q. Is Mr. Fowlie still in the firm?—A. He is a member of the firm.

Q. A member of the Eastern Dredging Company?—A. Yes.

By Mr. Carvell:

Q. I have just a few questions. Taking this plan, it seems to me the approach is much narrower than the basin. Is that where you get in and around the ferry slip?—A. Yes.

Q. What would you say would be the width of the approach leading into the ferry slip at the other end?—A. 150 feet.

Q. And back what distance does that continue?—A. 400 feet.

Q. And then what width is it?—A. It widens out to about 300 feet.

Q. And that would run across the slip and down both sides of the wharf?—A. Yes.

Q. And I think you said the western side goes down 150 feet?—A. About 225 feet beyond the wharf, on account of the ferry slip being on the western side of the wharf.

Q. And on the easterly side?—A. It goes down about 100 feet.

Q. Now, as to the space coloured pink on this plan, that had been dredged down to a depth varying from 17 to 13 feet?—A. Very nearly all. The corners on your left-hand side of that basin are not done, are not quite completed yet, the island side.

Q. But you have not dredged simply a cut 45 or 50 feet wide across the head of the ferry pier?—A. No, we have dredged a good-sized berth and basin around that pier.

Q. The impression was left on my mind by the form of one of Mr. Crockett's questions and not by one of your answers that all you had done round the head of that pier was dredging one cut across it. That is not true?—A. No, there is a good berth and basin there.

Q. Would it be possible to get into the ferry wharf without dredging by or near the side of the Dalhousie Company's wharf?—A. No.

Q. How long has that Dalhousie wharf been there?—A. A great many years.

Q. And how long have you any personal knowledge of that?—A. About 10 years.

Q. And during that period of which you have some personal knowledge of it, has the public been using it to any extent?—A. The public used it as a ferry wharf when the present ferry wharf was being constructed, and of course all kinds of vessels have come to that wharf.

Q. Mr. Stead, you would not mean to say that the dredging around that ferry basin has not been a benefit to the Dalhousie Lumber Company?—A. No, of course it has been; they could not have carried on that business practically without that.

Q. About how much business are they doing?—A. A business of about 15,000,000 feet of lumber a year.

Q. What kind of lumber, about one-half deals and about one-half pulp wood?—A. So, I understand.

Q. Now, what kind of vessels are these that transport the lumber?—A. That lumber was formerly transported very largely in square rigged vessels, but the pulp wood business now is done by iron vessels.

Q. That would be steel vessels?—A. Steel vessels.

Q. How much draft would they usually require?—A. They should have 20 feet, they go about 19 feet average draft and up to perhaps 20 feet, and in some cases 21 feet.

Q. Before the dredging was done in that vicinity how did they manage to load these steamers?—A. There was no pulp wood business done then, there were shipments of lumber from that wharf and have been for a great many years.

Q. How were the vessels loaded?—A. They were partly loaded at one berth at the extreme end of that wharf and they were then taken out into the stream and loaded from barges.

Q. Could that be done profitably, or could it be done commercially with profit?—A. No, it could not, because the pulp wood the way it is handled in these days is run right from the chutes, from the mill, into the hold of the steamer.

Q. Therefore you say that in order to deal economically with that pulpwood you will have to have a berth for the steamer along side the wharf?—A. It will be necessary for that business which amounts in that ferry basin to probably a quarter of a million dollars a year.

Q. And a large part of the dredging there was done you say to get into the ferry wharf?—A. Yes.

Q. There is no doubt there was some dredging done closely alongside the wharf in order to get a berth for these vessels.—A. It was dredged rather deeper and the intention is to dredge it rather deeper along that wharf so that these larger vessels can take advantage of it at that place.

Q. You are not trying to conceal the fact, you are making it clear that it is of some benefit to this big lumbering concern?—A. No, because of the fact that that great industry depends upon having these facilities.

Q. How many men do they employ?—A. I could not say, I should say there must be 200 men employed by that firm; I cannot say for sure but judging of the number employed in the mills I should say about 200.

Q. Any way it is a large industry?—A. Yes.

Q. And it is the largest industry in the town?—A. It is the largest industry in the town, yes.

Q. What other shipping come in to that port, or rather into that particular basin?—A. Schooners, I have seen a number of schooners in that basin, more than the wharf could hold, and this ferry steamer makes I think daily trips to the Quebec side, and into Campbellton, and takes quite a large quantity of freight and many passengers; the government vessels too use that basin for lying up in the winter time, and it is generally used in the summer.

Q. Now if this breakwater should be constructed according to your report would that accommodate the shipping to any extent, or would it only afford a means of reaching the island?—A. The idea of that breakwater is to accommodate the shipping as well as to protect the basin.

Q. And would that require dredging?—A. That will require dredging, yes.

Q. Do you mean that it will accommodate the shipping on the inside or the outside of the breakwater?—A. On the inside.

Q. On the inside only, on the outside it would be a breakwater?—A. Outside it would be a breakwater.

Q. But on the inside it would be a wharf?—A. A wharf and berths.

Q. Well, you intimated something, you might as well give any knowledge you have on the subject about it being the intention of the Dalhousie Lumber Company to part with that property, do you know anything about that?—A. I know negotiations, or I understand that negotiations are in progress for acquiring the island and the breakwater by the Marine Department and the Department of Public Works, the whole easterly side of the ferry basin.

Q. However, you don't know any of the details, do you?—A. Not lately, no.

Q. Well, when the Dalhousie Lumber Company bought this property was it a part of the general Moffatt property which they took over?—A. It was.

Q. This island was not bought particularly by the Dalhousie Lumber Company?—A. No, it was bought as a part of the Moffatt property.

Q. How long had the Moffatt's been doing business in Dalhousie?—A. I believe 30 or 40 years, something like that.

Q. It was an old established firm which had been doing business there?—A. Yes, since those days the shipping business has changed considerably. The draft has changed and the class of vessels using the port has changed.

Q. Was it square rigged vessels before that?—A. Yes.

Q. And you also stated that the conditions of trade have changed?—A. Yes.

Q. My friend asked you and you said there was a lighthouse on the island out there?—A. Yes.

Q. What part of the island would that lighthouse be on?—A. Towards the easterly end of it.

Q. The easterly end or northeasterly, which?—A. Yes, it is on the outer side.

Q. Is that the property of the Dalhousie Lumber Company or the property of the Government?—A. So far the Government have been leasing it, for many years they have leased the site of the lighthouse.

Q. From whom?—A. From the Moffatt's originally, and subsequently from the Dalhousie Lumber Company.

Q. I think one day last week, I think it was Friday, Mr. Crocket showed you a tender of the Loggie firm in 1908 in which they stated that their equipment at that time consisted of the dredge *Hayward* and some scows, and that the capacity of the *Hayward* was from 35, I think it was, to 75 yards per hour.

Mr. CROCKET—30 to 75, I think it was.

By Mr. Carvell:

Q. From 30 to 75 cubic yards per hour, was it?—A. Yes.

Q. And he showed you reports, or rather weekly returns in which in some days they had exceeded 750 cubic yards which would be the extreme capacity of the dredge at 10 hours per day.—A. Those reports were not for the *Hayward* at all.

Q. What were they for?—A. For the dredge *Invader*.

Q. And would the reports that Mr. Crocket had in his hand at the time show that they were for the *Invader*?—A. They would.

Q. Then he had in his hand and before his eyes the evidence that he was not asking about the *Hayward* at all, but about the *Invader*?—A. Yes.

Q. What about the *Invader*, what capacity has that dredge?

Mr. CROCKET.—Does Mr. Stead say that they referred to the *Invader*?

Mr. CARVELL.—He says so, I haven't examined them at all.

A. For 1909.

By Mr. Crocket:

Q. Here is what I referred to, that is the *Hayward* (producing file).

Mr. CARVELL.—What year?

Mr. CROCKET.—Last year.

Mr. CARVELL.—Now Mr. Crocket you can't play games like that, get back to Dalhousie, that is not the Dalhousie returns at all. You will not be permitted to deceive the witness and the committee in that way.

Mr. CROCKET.—I am not deceiving the witness these are the returns during the time the *Hayward* worked at Dalhousie.

Mr. CARVELL.—In 1909?

Mr. CROCKET.—In the previous year.

The CHAIRMAN.—Which is the witness himself speaking about?

Mr. CROCKET.—I was asking as to the practice of the department requiring a statement of the capacity of the dredges, and Mr. Lafleur was on the stand and I called his attention to one of the contracts and showed him that in that case there was a specification as to the capacity of the dredge. Then I showed him these weekly returns—I turned over several pages and showed him where in several instances the quantity returned by the inspector exceeded the actual capacity.

The CHAIRMAN.—Yes, but are you speaking of the same dredge?

By Mr. Carvell:

Q. What is the capacity of the *Invasion*?—A. Doing good work she should dredge 2,000 yards a day.

Q. So that if she was dredging 1,050 or 1,200 cubic yards a day she could do it without any stealing on the part of the contractor?—A. Oh yes.

Q. What was the certificate which you placed upon the dredging done at Dalhousie in 1909 after the appropriation had been exhausted?—A. I put the certificate 'certified prices fair and just.'

Q. And the prices paid were the prices fixed in a written contract in the department?—A. In a written contract in the department, yes.

Q. Do you know that these men were paid monthly as they went along?—A. No, I cannot tell when they were paid.

Q. Has it ever happened in your experience before that dredging contractors went beyond the amount which they were supposed to do in a certain year?—A. I do not remember that they have. I think the year before they did some dredging beyond what was authorized.

Q. Was the dredging necessary that they did in 1909 beyond the limit?—A. It was.

Q. Was every yard that was done, necessary?—A. Every yard done was necessary.

Q. According to the description that you have given of this ferry basin?—A. Yes.

Q. And will it take more dredging in order to provide for the interests that have got to be accommodated in that basin?—A. Yes, it will.

Q. And you say that the country lost nothing?—A. The country lost nothing.

Q. You do not know whether the firm got their pay?

Mr. CROCKET.—They paid \$36,000 for a dredge.

The WITNESS.—They had to buy a dredge especially for the work because the *Hayward* would not do that work.

By Mr. Carvell:

Q. Do you know what was the value of the dredge they purchased?—A. I do not, but I think it must have cost \$36,000. That is, the dredge and tug.

Q. Do you know how much duty they paid?—A. Well, the report at Chatham is that they paid about \$9,000 in one month.

Q. Anyway they were compelled to spend \$36,000 to get a dredge to go on with this work?—A. Yes, sir. They had the *Hayward* already, but the material was too hard for the *Hayward* to handle.

Q. Now, my friend asked you how many times you had been at Dalhousie in 1909? A. I only remember being there twice. I was there on the 15th of July.

Q. Have you brought your diary here?—A. Yes.

Q. Mr. Crocket wanted to see your diary. Have you looked it up?—A. Yes, I have looked it up.

Q. And you were there?—A. Yes, I was there on the 15th July, I think it was.

Q. And you left the camp at Sussex on what date?—A. On the 8th.

Q. And on the 15th you got to Dalhousie?—A. Yes.

Q. Did you see Mr. Andrew Loggie at that time?—A. No, I think not. I have no record of having seen him.

Q. But you have a record in your diary of visiting Dalhousie?—A. Yes.

Q. And your record has no entry as to your having seen Mr. Loggie?—A. No record of having seen Mr. Andrew Loggie.

Q. Would there be any further inspections by the engineering department made that year, except the two visits you made?—A. I have not the list of visits made. I have only just received my mail and I do not know whether it is there or not.

Q. That mail was handed to you after you came into the Committee Room?—A. Yes.

Q. What is the practice by you personally in the inspection of this dredging, have you any assistants?—A. Last season I had eight assistants and they were kept very busy the whole time, they could scarcely get rid of it. In 1909 I had three, and we got around as much as we could. Last year I had 62 works altogether in progress.

Q. And you had how many assistants?—A. I had eight. The year before I had very nearly the same number of weeks and I had three assistants and we were around, we were travelling the greater part of the time.

Q. Then the Dalhousie work was inspected as much as it was possible to inspect with your staff?—A. Yes, and it was necessary—

Q. I have here a newspaper published in St. John, called the 'Standard'—

Mr. McKENZIE.—I understood the witness to be going on to say that this dredging was necessary to be done and it was necessary in the public interest.

By Mr. Carvell:

Q. I understood you to say that. Do you say that now?—A. You mean the dredging at Dalhousie?

Q. Yes?—A. I say there is a business of about, in round numbers, a quarter of a million annually in that ferry basin and it will probably increase.

Q. And do you say that this dredging was necessary in the public interest?—A. It was necessary. There could be practically no business done in that basin without this dredging.

Q. Now I find in a paper called the 'Standard,' published in St. John, N.B., of February 4, this statement in reference to your examination before this committee on Friday (reads).

In reply to further questions, Mr. Stead said Louis Allain, inspector, who had been appointed by order of Hon. Mr. Pugsley, could not write, and had to have his reports made out by some one else.

Did you make that statement?—A. No, I did not.

Q. I do not know who the reporter of this newspaper is, but this is a sample of the nonsense—I will not call it nonsense, but mis-statements—served up to the reading public when Mr. Crocket gets on the rampage in dredging matters. Now I find on page 38 of the printed evidence in this inquiry, the following (reads):—

Q. Do you know whether Mr. Allain made out his returns, whether he is able to?—A. Oh, all along he signs them. I do not think he has ever written out all of them—Oh, yes, in some cases he has.

Q. Did you make that statement?—A. Yes.

Q. Now, at page 39 (reads):—

Q. He is not a writer, a good penman?—A. He is not an expert penman, no.

Q. You know that he has some one to make out his returns, do you?—A. I have seen that the returns are not all in Mr. Allain's writing.

By Mr. Carvell:

Q. Will you repeat that answer please?—A. I see that his returns are not all made out in his own handwriting but he signs them all, I know his signature. Did you make that statement?—A. Yes.

By Mr. Crocket:

Q. Did you also make this statement?—(reads):

By Mr. Crocket:

Q. Why are they not made out in his own handwriting?—A. I presume it is because he gets someone else to do them for him.

Q. Some one who could do it better?—A. Yes.
A. Yes.

By Mr. Carvell:

Q. Have you any recollection as to where or how the estimate of 15 cents per cubic yard was arrived at in the report made to the Department in 1905?—A. It was arrived at, I believe, from the report in 1895 of Major Shewen.

Q. Have you ever read over that report?—A. Yes.

Q. Did you know if he was referring to dredging done by the Government or by contractors?—A. Referring to dredging done by the Department, because it would be chargeable to the general appropriations for the dredging service.

Q. What would that cover in the way of expense?—A. That would cover—there would be no interest, it would be operating expenses simply.

Q. Would that cover breakages and repairs or only labour?—A. That would cover breakages and repairs during the season at any rate.

Q. And the labour?—A. Yes.

Q. Have you any knowledge of what the Government is able to do dredging for, as compared with the average contract prices when put up for tender?—A. I think there is not much difference; the two are nearly about the same. There is not very much difference between the cost at present the way it is done.

Q. Put it this way, if the Government issues a return or statement of, we shall say, 1,000 yards the dredging has cost them with their own dredge, do they figure that out at the cost per yard?—A. I think it is put down at the season's cost.

Q. The season's cost?—A. For the dredge.

Q. You would find the cost per yard by dividing that amount by the number of yards?—A. Yes.

Q. But as I understand it that would only include the actual labour and breakages and repairs for that season?—A. Yes.

Q. Now, do you get contractors who agree to do dredging for that price per yard?—A. No, there would be considerable cost for renewal of plant and interest.

Q. It would be considerable more?—A. Yes, considerable more. I remember, I know some, the *St. Lawrence* is dredging for from 15 to 20 cents a yard.

Q. That is the Government, you mean?—A. Yes, the Government dredge.

Q. And have contractors done it for the same price?—A. The contractors have not, so far as we can tell, although in very large contracts they have. In some very large contracts they have, but not in the small contracts.

Q. Now, do you know what the Government work has cost in any of the work around New Brunswick, or have you troubled to figure it out?—A. 39 cents.

Q. That is Government work?—A. Government work.

Q. And what is the contract work?—A. The contract work there was 41 cents.

Q. Well, there was not very much profit there?—A. Not much difference in that case.

Q. What was the reason the Government dredging cost so much as that?—A. I can hardly tell that. There were a great many different cases.

Q. Then the cost of Government dredging fluctuates just the same as contract dredging?—A. Just the same as contract dredging.

Q. Different conditions?—A. Yes. Large Government dredging in New Brunswick has cost about 15 cents.

Q. And what was contract dredging, what has contract dredging at the same place cost?—A. In the same place as the case I was referring to, Restigouche, their contract dredging has cost 50 cents in that year, 1909.

Q. In that one year?—A. Yes. In each year the dredging contractors bought a new plant, and all that. In fact, the year before their plant was practically new.

Q. When you are talking about the cost of Government dredging you do not take the plant into consideration at all?—A. It is not taken into consideration.

By Mr. German:

Q. What class of material was it that the Loggie's were dredging at 50 cents at Dalhousie?—A. They were dredging outside of that wharf. They were dredging fairly soft mud. In the ferry basin it was very stiff clay and a great many sticks.

Q. Tide water?—A. It is all tide water. It rises and falls eight or nine feet.

Q. What depth of excavation was it?—A. At the public wharfs they go down to 24 feet. That means about 33 feet at extreme high water. In the Ferry basin they were dredging a less depth. They were dredging there say about an average of 15 or 16 feet.

Q. I was asking what was the depth of the excavation itself?—A. Before the dredging commenced there was very little depth there. There was not depth enough for that small steamer. I think in some places there was only five feet.

Q. What was the depth of the clay?—A. About ten feet.

Q. About ten feet of clay?—A. Yes.

Q. What was the length of the haul for the soft material?—A. About a mile and three-quarters or two miles.

Q. Out in the open ocean?—A. Open harbour. It is just a large estuary.

Q. They would not have to go out into the open ocean —A. No, it is at the head of the Bay of Chaleurs.

Q. They would not be bothered with winds to interfere with the operations?—A. Well, it is pretty rough in Dalhousie harbour sometimes. There is quite a long sweep, and a long stretch.

Q. Were the Loggie's doing the excavation of soft material at 50 cents a yard?—A. Yes.

Q. And clay at 50 cents?—A. Yes.

Q. Which was the larger quantity, clay or soft?—A. Not very much difference between the two quantities. I think the larger amount of the dredging was at the deep water wharf, that would be the softer material. The amount they dredged at the deep water wharf of that soft material was about 20,000 cubic yards, as was read out a short time ago, and they dredged along with this 62,000 yards of hard material, besides what was dredged in the year before.

Q. Any hard pan? Boulders?—A. No hard-pan.

Q. Or any boulders?—A. No boulders, no.

By Mr. Crocket:

Q. You said you understood that the Loggie's had paid \$36,000 for the dredge; is that the *Invader*?—A. It is the *Invader*. I judge that from the duty paid. That is for the dredge and tug.

Q. For their dredge and tug?—A. Yes.

Q. Did you get that information from the Loggie's or any member of their firm?—A. No, No; that was information from Chatham people, generally known in Chatham.

Q. You based that entirely upon a report around Chatham? You used some such expression as that?—A. Yes, I know that the customs report from Chatham increased very largely at that time. The customs reports from Chatham would give that, you know, for that month.

Q. That \$36,000, does that include customs duty?—A. No, I only judge the \$36,000 from the amount of customs, 25 per cent.

Q. I understood your statement to be that that was the report around Chatham? Did you ever discuss with the Loggie's or any member of the firm the cost of their dredges?—A. Yes, I remember them telling me that their plant cost them over

\$100,000 just in a general way; I did not ask them specially in a general way, I did not give details.

Q. That statement you have made is not on information which was given you by a member of the firm, \$36,000. It is hearsay of people who are talking about it.

—A. The customs duty—is it 25 or 33 per cent?

Q. You say you valued it on that basis, you ought to know.—A. That was at 25 per cent.

Q. Did you figure it at 25 per cent?—A. At 25 per cent. \$9,000, that would be that the cost of the dredge without duty would be \$36,000, that is for the dredge and tugs.

Q. Now they have some dredging at Miramichi bay under a new contract haven't they?—A. Yes.

Q. Do you know what they are getting paid under the new contract at Miramichi bay?—A. Yes.

Q. How much is it for ordinary spoil?—A. Eleven cents.

Q. What were they getting formerly?—A. That was the first.

Q. What had they been getting at Loggieville?—A. 35 cents.

Q. That is in Miramichi bay, isn't it?—A. Miramichi river.

Q. And under this new contract they are doing it now for 11 cents?—A. This is another contract.

Q. Do you know the circumstances in connection with the awarding of that contract?—A. No, I know that tenders were called for, I saw that tenders were called for, that is all that I know in connection with it.

Q. That is all that you have been informed, that their new contract is 11 cents?—A. Yes.

By Hon. Mr. Pugsley:

Q. Is it within your knowledge, Mr. Stead, that owing to new dredging plant coming into operation, and I daresay keener competition, and possibly improved methods in the department, that we are getting dredging done in very many places at considerably less than the figures previously paid?—A. Yes, and one way is that tenders for a certain number of yards of dredging are called for; a definite amount of dredging is called for.

Q. I adopted the plan of specifying the quantity of dredging to be done and of allowing it to extend over a number of seasons in which to finish the work, instead of limiting it, as was formerly the case, to one season, and the result has been that we are getting the dredging done at very considerably reduced prices, has it not?—A. Yes. Under that first contract at Dalhousie dredges had to be provided, and there was no certainty as to how long they would be allowed to dredge.

Q. Quite so. Take the cases of dredging at Horseshoe and at the Lump, Miramichi bay, do you remember what was paid there the first year I became minister, after public tender?—A. Sixty cents per cubic yard for that same work.

Q. Sixty cents; and after the methods I have adopted what is the present price, after public tender, for the Horseshoe and the Lump?—A. 45 cents, outside dredging.

Q. And what was it the first year I became minister?—A. 60 cents.

Q. And that price has been reduced to 45 cents. And at Grandoon I specify the quantity there at about a million yards and give two or three seasons to allow the work to be finished?—A. Yes, two seasons.

Q. And I get a contract there at what price?—A. Eleven cents.

Q. That is in public competition, is it?—A. Yes.

Q. Do you happen to know the prices in St. John? Have you seen the report of what was being paid Mr. Gershon S. Mayes when I first became minister?—A. Yes, I believe—

Q. Ninety cents, was it not?—A. Yes, ninety cents at St. John.

Q. And do you know now that by public tender and by specifying a particular quantity and allowing it to extend over a number of seasons we are getting it done at very much less—A. Yes—about 28, I think.

Q. About 39 cents?—A. 39 cents, yes.

Q. In connection with the dredging at Dalhousie, did I ever interfere in any way or give you any directions as to where you should dredge?—A. No, I do not remember that you did—in fact, I had no instructions whatever from you in regard to dredging at Dalhousie.

By Mr. Crocket:

Q. All your instructions came down from the department, I suppose?—A. From the department, I think; all I had.

By Hon. Mr. Pugsley:

Q. As I understand, you say this is the way in which it was done: You made a report as to the dredging necessary at Dalhousie, and when you were authorized to have dredging done there you assumed your reports were approved of?—A. Yes.

Q. And you gave directions accordingly?—A. I gave directions accordingly.

Q. Speaking of Mr. Allain, did you find him a thoroughly reliable inspector?—Yes.

Q. Is he an intelligent man?—A. I saw a good deal of him, and I considered him a thoroughly honest man.

Q. Is he intelligent?—A. He is an intelligent man, yes.

Q. And you believe he would be a thoroughly reliable, honest inspector, do you?—A. I and my assistant saw him a number of times on the work; I was satisfied with him.

By Mr. Crocket:

Q. Speaking of this matter of methods that have been initiated in the department that has come into effect during the present year in reference to Dalhousie and these points along the north shore of New Brunswick?—A. 1910.

Q. During the present year, the 11 cents contract at Miramichi and the 29½ cents contract at Dalhousie are the results of tenders that have been called for during the present year?—A. During the present fiscal year.

By Hon. Mr. Pugsley:

Q. Mr. Stead, you are aware, are you not, that with all dredging plant after the season is over and the plant is laid up, as a general rule large repairs have to be made to the plant during the winter seasons?—A. Yes, it is usually very large.

Q. And then in dredging there are always a good many days, if not weeks, which are lost time?—A. Yes.

Q. Owing to storms or owing to its not being possible to take the barges out to dump the material. Do you know whether the repairs which are made during the winter season when the dredge is laid up or any lost time, or any interest on the cost or depreciation are charged up in the actual cost of the work which the government dredge does?—A. The figures are given in two ways.

Q. Yes?—A. Just the result of the summer operations in each place, and there is also given the figures in which the whole cost is summed up.

Q. Of course the cost of the repairs to the dredge appears in the returns, but do you know whether, when the cost per cubic yard is given, that includes those charges I have mentioned?—A. Not as to the cubic yards.

Q. With reference to the cost of the repairs made during the winter season when the dredge is laid up, do they figure in the cost of operating during the preceding season?—A. I believe practically with and without.

Q. One would have to examine the reports to see that?—A. Yes.

By Mr. Crocket:

Q. There is one thing that I intended to ask you. Have you your diary with you?—A. Yes (producing diary).

Q. Just let me see the entry in which you spoke of your visit to Dalhousie?—A. (Pointing to entry) Here it is. I arrived at Dalhousie in the evening.

Q. Is that the only entry you have got of visiting Dalhousie in that summer until the 24th September?—A. Yes.

Q. That is the only entry, is it?—A. Yes, the only entry until the 24th September.

By Mr. Carvell:

Q. I now want to refer to Mr. Lafleur's evidence to be found at page 18 of the printed record. He is asked what was the capacity of the dredge *Hayward* and the answer, after reference to the tender, was from thirty to seventy-five yards. I now come to page 17. (reads):

Q. Here are the returns of the work done at Dalhousie. (file handed to witness). There is the first return. Just look at that. There are 13 and 14 hours there, and 1,170 cubic yards in a day in that week. There is one day there of 13 hours with the result of 882 cubic yards, and another day of 14 hours with the result of 1,131 cubic yards.

Then further down (reads):

Q. One day of 14 hours gives 1,171 cubic yards and another day gives 1,115 cubic yards and another gives 1,131 cubic yards.—A. Yes.

Now, Mr. Stead, I want you to look at that return (handing witness return). What is it?—A. It is a return of the dredge *Reliable*.

Q. Not the *Hayward* at all? And it was mentioned at the top that it was work at—A. At Dalhousie.

Q. Now look and see if you can find for what period this return is made?—A. It is the return for two weeks, from the 1st to the 14th.

Q. See if you can find there 1,171 cubic yards.—A. That is the 8th.

Q. Of what month?—A. The 8th September, 1909.

Q. And can you find one of 1,115 cubic yards?—A. That is on the 13th September, 1909, dredge *Reliable*.

Q. Can you find one of 1,131 cubic yards?—A. On the 3rd there is an item of 1,131 cubic yards.

Q. All on the one page and all for work done by the *Reliable* and not by the *Hayward*?—A. Yes.

By Mr. Crocket:

Q. I will call your attention to page 18 of the printed evidence to this question, which was put to Mr. Lafleur in order to show that if there was any deception it was by Mr. Lafleur, chief engineer of the department. (reads):

Q. I want to call your attention to another fact here; this work at Dalhousie was performed by the dredge—A. *Hayward*.

Q. *Hayward*? Do the regulations require the contractors in filling tenders to state the capacity of the dredges and the scows?—A. Not at that time.

You see there, do you not, that the chief engineer of the department stated that the dredging was done at Dalhousie by the dredge *Hayward*?—A. I expect that he believed that you had mentioned it to him before.

Q. I did not make any statement as to the dredging before. You are very sharp, Mr. Stead, when you have anything of that kind to offer to the committee. You are very bright, Mr. Stead, when you have anything of that kind.

Mr. CARVELL.—You had a document in your hand when you made that statement, and you knew it was false.

Mr. CROCKET objected to Mr. Carvell's statement and asked that it be withdrawn.—Discussion followed.

The CHAIRMAN.—I do not think it is right to use an expression of that kind towards any member of this committee, and I think it should be withdrawn.

Mr. CARVELL.—I withdraw it at your request, Mr. Chairman, but have my own mental reservations.

By Mr. Crocket:

Q. Now, the dredge *Hayward* had performed work in 1908 there?—A. Yes.

Q. It was one of the Loggie dredges, was it not?—A. Yes.

Q. It was inspected by Mr. Allain at Dalhousie?—A. Yes.

Q. The dredge *Reliable* is a Loggie dredge also, is it not?—A. Yes.

Q. And the dredge *Invader* you spoke of?—A. The dredge *Invader* is the same as the *Reliable*.

Q. And the contract let at Dalhousie was let in 1908 and the dredge *Hayward* was specified in that contract as the dredge to do the work?—A. It was specified as one the Loggie's had on hand.

Q. In connection with the Dalhousie contract?—A. Yes.

Q. And it stated the capacity of the dredge *Hayward* did it not?—A. Yes.

Q. And you know from the return, that return with reference to the capacity was based on the statement made in the contract of 1908 with reference to the dredge *Hayward*; you know that, don't you?

Mr. D. D. MCKENZIE.—How did he know that?

By Mr. Crocket:

Q. Have you examined the contract?—A. Yes.

Q. And you know that?—A. I know that was the capacity mentioned of the dredge *Hayward*.

Q. And you know from that return that that investigation had reference entirely to the statement made in the Loggie specification and in the contract as to the capacity of the dredge *Hayward*, don't you know that?—A. I know that that capacity had reference to the dredge *Hayward*.

Q. And you know that this evidence, that that investigation had reference to the statement that appeared in the contract for dredging at Dalhousie in which the *Hayward* was mentioned in its government capacity, and that the questions which Mr. Carvell referred to were in reference to the very dredge *Hayward*, although it was working at Bathurst; you knew that, didn't you?—A. Before I answer, if you are trying to prove that more material was being moved than the dredge was capable of moving—

Q. Answer my question. Do you know that or not?

Mr. PUGSLEY.—I would ask you, Mr. Chairman, to stop Mr. Crocket.

By Mr. Crocket:

Q. I think I am entitled to an answer?—A. You are trying to prove that more material was being moved in Dalhousie in 1909 than the dredge was capable of moving by referring to an entirely different dredge.

Q. Do you say I am trying to prove that?—A. Yes.

Q. How do you know what I am trying to prove? Have you read that evidence?—A. I heard that part of it.

Q. And you know, do you not, that the inquiry with reference to that question was based on the statement that you saw in the contract that was let for the dredging at Dalhousie, the contract in which the dredge *Hayward* was mentioned as the dredge to do the work. You knew that, didn't you?—A. Yes, but you are trying—

Q. One thing at a time. You say you knew that?—A. Yes.

Q. And you knew also it was stated that the cubic capacity was from 30 to 75 cubic yards an hour?—A. Yes.

Q. And then I, having this return in reference to the same dredge *Hayward*, showed that that dredge went over the maximum of capacity as stated in the contract?—A. That is what I object to.

Q. What right have you to object?

Mr. PUGSLEY.—Wait a moment.

The CHAIRMAN.—Let us hear what the answer is.

WITNESS.—The main thing is, I say, you are trying to prove something that was not correct; you were using another dredge to try to prove that this dredge was doing more than its capacity.

Q. Did you say I used another dredge? The Dalhousie dredge named the *Hayward*; did it not mention the cubic capacity of the dredge *Hayward*, did it not?—A. Yes.

Q. And that was the contract under which the work was done at Dalhousie?—A. Yes.

By Mr. Carvell:

Q. That is not according to the facts. That was for one year, but was it for 1909?—A. It was not for 1909.

By Mr. Crocket:

Q. Was not the work in 1909 done under the 1908 contract?—A. Yes.

Q. Didn't you swear it was done?—A. Yes.

Q. Under a new authorization?—A. Yes.

Q. And is not the dredge *Hayward* there?—A. Yes.

By Mr. Carvell:

Q. Where is it now?

Mr. CROCKET.—At Bathurst.

Mr. CARVELL.—Not at Dalhousie?

Mr. CROCKET.—Oh, you can come on afterwards.

Mr. CARVELL.—That was at Bathurst and not at Dalhousie.

By Mr. Crocket:

Certainly. It says Bathurst, but it is the same dredge whose cubic capacity is stated in the Dalhousie contract as from 35 to 75 cubic yards an hour, and didn't I say according to the certificates of the inspecting engineer that that dredge exceeded the cubic capacity as stated in the contract?

Mr. CARVELL.—You did not.

WITNESS.—You referred to the returns of another dredge.

By Mr. Crocket:

Q. What other dredge?—A. The *Reliable*, lately called the *Invader*.

Mr. PUGSLEY.—It appears on the face of it that it was the dredge *Reliable*.

By Mr. Crocket:

Q. Is not that the dredge *Hayward*?—A. Yes, that is the report of the dredge *Hayward* at Bathurst.

Q. Didn't I give the 1,050 cubic yards in 12 hours, didn't I give that?—A. I do not know.

Q. I tell you I did, and the return shows I did, and I gave 1,002 in 14 hours and I asked Mr. Stead to show it up and he said that exceeded the maximum cubic capacity?—A. These figures you gave for Bathurst figure out within the capacity of the *Hayward*.

Mr. PUGSLEY.—Now I think Mr. Crocket you had better withdraw that.

By Mr. Crocket:

Q. You seem to have a much brighter mind, Mr. Stead, for anything that you think will discredit an Opposition Member then you have for giving information

about your duties as resident engineer. You are the gentleman are you not who certified the value of the Saw-dust wharf at Richibucto?

Mr. PUGSLEY.—What has that got to do with it?

Mr. CARVELL.—Don't answer that.

The WITNESS.—I reported on it.

Q. Are you the same engineer?

Mr. PUGSLEY.—That is surely not permissible.

The CHAIRMAN.—I don't think you can go into that. These figures speak for themselves.

WITNESS.—I think it might be recorded that at Bathurst the figures were within the capacity of the dredge.

Witness retired.

Committee adjourned.



EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

DREDGING---DALHOUSIE, BATHURST, CARA- QUET AND LOGGIEVILLE

No. 4—FEBRUARY 10, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1911

MINUTES OF EVIDENCE

COMMITTEE ROOM No. 32,
HOUSE OF COMMONS,

FRIDAY, February 10, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the chairman, Mr. Warburton, presiding.

The committee resumed the consideration of a payment of \$31,362.50 to A. & R. Loggie for dredging at Dalhousie, N.B., as set out at page V—248, Report of the Auditor General for the fiscal year ending March 31, 1910.

Mr. CROCKET.—Mr. Chairman, there is just one question in reference to the Dalhousie dredging I would like to ask Mr. Stead, and then I will be through with him on this subject.

Mr. GEOFFREY STEAD recalled.

By Mr. Crocket:

Q. Mr. Stead, in your evidence the other day you gave the depth to which dredging had been done in front of the ferry wharf and the Dalhousie Lumber Company. What was the depth when dredging operations were begun under that contract at the ferry wharf?—A. About 4 to 6 feet.

Q. It was 4 to 6 feet at the ferry wharf?—A. At the ferry wharf, yes.

By Mr. Carvell:

Q. Would that be the depth of material moved, is that what you mean?—A. No; that is the depth of water at low water.

By Mr. Crocket:

Q. It was 4 to 6 feet?—A. Yes, about that.

By Mr. Carvell:

Q. That is when you commenced?—A. Yes.

By Mr. Crocket:

Q. And when you stated that dredging had been done to a depth of 13 feet you meant that it was carried down from 4 to 6 feet to 13 feet?—A. Yes.

Q. What was the depth of water on the western side of the basin, along the wharf of the Dalhousie Lumber Company when the dredging operations were begun under this contract?—A. It was a little more than that; the water deepened gradually in the basin until you got to the bar at the outside of the basin, and at the outside was about 6 feet; it may have been about 8 feet, I suppose, in the upper part of that basin.

Q. Along the westerly side of the basin?—A. Along the westerly side of the basin, yes; I cannot be quite certain of that, but that is about it.

Q. You say about 8 feet?—A. Yes.

By Mr. Carvell:

Q. Is there not a plan of the soundings in the department somewhere?—A. Yes, they have that in the department; it can be got at exactly.

By Mr. Crocket:

Q. And you say that was carried from a depth of 8 feet to a depth of 17 feet?—A. Yes.

Q. Along the Dalhousie Lumber Company's wharf. Have you the plan there? (Plan produced.) This here is the approach, is it, to the wharf from the street?—

A. The approach, yes; and this is the Dalhousie Lumber Company's wharf along that line (indicating on plan).

Q. Along the line of it right out to the jog there, is it?—A. Yes.

Q. And to what point on this plan here was the dredging done to a depth of 17 feet?—A. I can't tell you exactly from that plan. It was carried in to about opposite the pierhead of the ferry wharf, to about this point here (indicating on plan).

Q. That would be opposite the slip—to a point opposite the slip of the ferry wharf?—A. Yes, that is as I remember.

Q. And from that point it was dredged along that wharf, you say, to a depth of 17 feet to that point in the Dalhousie Lumber Company's wharf?—A. Out to the channel.

Q. Was it carried around there; there is a corner here or a jog in the wharf?—A. Yes.

Q. How far distant is that jog up from the pierhead of the ferry wharf?—A. It would be about 300 feet further out beyond the pierhead.

By Mr. Carvell:

Q. How much?—A. About 300 feet.

By Mr. Crockett:

Q. And the 17-foot cut was carried, you say, to that jog, which is 300 feet beyond the line of the pierhead?—A. No, it was carried out to the channel.

Q. Well, it was carried out to the jog to begin with?—A. Certainly, and past that.

Q. Was it carried along to the inner line of their wharf?—A. No, it was not.

Q. It was not?—A. No, it would not be possible to carry it in to the face of the wharf.

Q. How far beyond the wharf was it carried?—A. Out to the channel.

Q. Well, how far in feet?—A. It is about 250 or 300 feet.

Q. About 300 feet?—A. Yes.

Q. So that will be 600 feet in all along that line of the Dalhousie Lumber Company's wharf?—A. Yes, out to the channel.

Q. Now, that was a 75-foot cut, was it?—A. It was altogether about 150 feet; there was a 75-foot cut carried to a greater depth.

Q. When you refer to a 75-foot cut, you mean that it was a cut extending 75 feet from the line of the wharf?—A. Not quite close to the wharf. It would not come quite close to the wharf, but about from that corner, we took about that corner, which was the furthest out point of the wharf in the basin.

A. And when you refer to the 75-foot cut you refer to a cut along the line of this wharf extending 600 feet out to the channel?—A. Yes.

Q. Then how far easterly of that cut was the dredging carried in the basin, how many feet?—A. It was carried in the basin about 300 feet easterly, or nearly 300 feet easterly; we did not quite get to this point here (indicating on map).

Q. That is to that point?—A. Yes, at the widest.

Q. That is the widest point?—A. Yes.

Q. And that widest point would be how far north of the pier head of the ferry wharf?—A. That would be about 150 feet north of the pier head at the ferry wharf, leaving room for vessels to get around from the pierhead.

Q. And how far would the dredging extend from that 75 feet cut easterly at that point?—A. It would extend about another 75 feet.

Q. About another 75 feet, that is at the entrance, in the entrance?—A. Yes, to give 150 feet wide, flaring out at the outer end, as shown there, to give an easier approach.

Q. That would be about 150 feet in all at the entrance to the basin?—A. It would be rather more, but the approach generally is that.

Q. And on this side of the entrance what was the depth of the dredging that was done?—A. There was about 12 to 16 feet.

Q. Is that the nearest you can come to it?—A. That is about it.

Q. So that on the easterly side of the entrance the dredging was done to a depth only of 12 to 16 feet?—A. Yes.

Q. Either 12 or 16?—A. 12 or 16.

Q. And on the westerly side it was carried down to 17 feet?—A. To 17 feet, yes.

Q. And it was asked that this work be carried down to a depth of 20 feet on the westerly side?—A. Yes, the intention was to go 20 feet.

Q. And according to the report of this engineer I find that this 75-foot cut for 600 feet was carried to a depth of 20 feet, wasn't it?—A. I don't think so. I think it was stated in the report that that was the intention.

Q. That was stated as being the intention, but with respect to the easterly side of the entrance it was from 12 to 16 feet, you say?—A. From 12 to 16 feet.

By Mr. Carvell:

Q. Mr. Stead, when you were giving these figures of the depth of water prior to the dredging and the depth afterwards are you attempting to give the accurate figures or are you only estimating?—A. I am giving the figures as well as I remember the plan, the soundings generally were not taken by me, but I have seen the plans in the office.

Q. The soundings would be in existence somewhere, I suppose, so that we can get them accurately?—A. Oh, yes, they will be in the department.

Q. Then if the committee desire they can obtain accurate information regarding the condition of affairs in that basin before the dredging commenced, can they?—A. Yes.

Q. And they can also obtain accurate information as to conditions at the present time?—A. Yes.

Q. The documents are all there in the department?—A. Yes.

By Mr. Crocket:

Q. I understand, Mr. Stead, that there are plans in the department?—A. There are plans for all the works in the department.

Q. I mean in reference to the ferry basin?—A. Yes.

Q. Plans which show the depth of water that existed along the line of the Dalhousie Lumber Company's wharf and around the ferry wharf?—A. Yes, and I think my report on the ferry basin mentions there is an accompanying plan showing the depth.

Q. I do not remember whether there is or not, but if there is an accompanying plan I would like to have it. You see your evidence is not accurate with reference to these depths?—A. I am giving you what I think is a very accurate idea of the depths.

Q. Well, if there is any doubt about it I would like you to see the plan and determine it accurately?—A. I don't think there is any necessity. I am giving you a reasonable account of that.

Mr. CROCKET.—Well, is there any officer of the Public Works Department here?

Mr. CARVELL.—You can get all the plans.

Mr. CROCKET.—I would like to have the plan which Mr. Stead referred to.

The CHAIRMAN.—Is that all you want of Mr. Stead?

Mr. CROCKET.—In reference to Dalhousie. If he wants to return home we will allow his examination in the matter of the Bathurst dredging to stand until he returns again.

The CHAIRMAN.—The question is whether you want him here again to-day or not.

Mr. CROCKET.—I have no other questions to ask.

The CHAIRMAN.—He wants to leave now, so you had better fix a time for him to come back.

Mr. CROCKET.—There is one other question I want to ask him. (To the witness.) You said that you had produced your diary showing that you had paid a visit to Dalhousie on the 15th July, 1909?—A. Yes.

Q. When you were at Dalhousie on the 15th July, 1909, were you aware that the Loggies had resumed dredging?—A. Yes.

Q. At Dalhousie?—A. Yes.

Q. But you did not ask the department for any instructions until the 2nd of August?—A. The 2nd of August, yes.

Mr. CROCKET.—That is all I want to ask you just now.

The CHAIRMAN.—Suppose we fix Mr. Stead's return for a fortnight from Wednesday?

Mr. CROCKET.—That will be satisfactory for me.

The CHAIRMAN.—Then, Mr. Stead, you will return next Wednesday fortnight. I don't know what date that will be.

Witness retired.

Mr. CHARLES E. DAVIES called for and examined.

By Hon. Mr. Pugsley:

Q. Mr. Davies, you are the manager of the Great Northwestern Telegraph office at Ottawa, are you not?—A. Yes.

Q. You remember your attention being called, in the fall of 1909, to the fact that a telegram which was handed in at the office here from Mr. Eugene D. Lafleur, Chief Engineer of the Public Works Department, was not delivered, or it was alleged that it was not delivered to Messrs. A. & R. Loggie, the persons to whom it was addressed, exactly in the words in which it was sent?—A. Yes.

Q. By whom was your attention called to that?—A. I could not say exactly.

Q. Had you a letter from me on the subject?—A. I have no letter on the subject. I think it came through in a telephoned complaint first.

Q. Yes?—A. And we were asked as to how our original read, and we furnished the information.

Q. Yes, and how did the original read?—A. The original at the Ottawa office read 'Bathurst.'

Q. Have you the original in question?—A. Either the original was furnished or it had been destroyed. We only keep business for nine months.

Q. You only keep telegrams for nine months?—A. Yes.

Q. But the telegram as delivered at the office here, you learned, contained the word 'Bathurst'?—A. Yes. It left Ottawa and reached Montreal reading 'Bathurst.'

Q. You made investigation, did you, at Montreal?—A. Yes.

Q. So the telegram reached Montreal with the word 'Bathurst' in it?—A. Yes.

Q. Go on and state the investigation you made, and what the result was?—A. I have the folder here giving the course of the investigation.

Q. From that just state to the committee the whole investigation you made and what the result was?—A. I made investigation to Montreal by wire, as I advised you in a letter of September 24th, 1909, in which I stated that 'through an investigation which I have already made by wire, it has been ascertained that the error occurred east of Montreal, the service from the Ottawa office being correct.'

Q. What was the date on which you notified me of that?—A. September the 24th.

Q. Yes, September 24th, 1909?—A. A complaint had been made the day previous, September 23rd. I referred the matter to the general manager through our regular complaint channels. It reached me and was referred by me to Mr. Pope, superintendent at Quebec, and as the Montreal office was shown to have sent it to Campbellton

direct it was referred by Mr. Pope to the manager at Campbellton. The Campbellton copy read correctly 'Bathurst,' and the matter was referred by the manager, Mr. McQuillan, to the extra repeat office at Chatham.

By Mr. Crocket:

Q. You say it was received correctly at Campbellton?—A. Yes. I have the Campbellton copy here.

By Hon. Mr. Pugsley:

Q. How does the Campbellton copy read?—A. It reads correctly.

Q. Just read it, will you?—A. (Reads):

Ottawa, June 1st.

A. & R. Loggie, Loggieville.

You are authorized to continue dredging at Bathurst under same contract as last year. Expenditure to be limited to nine thousand six hundred dollars.

(Signed) EUGENE D. LAFLEUR,

Chief Engineer.

Q. Now, having shown that the telegram was correctly addressed at Campbellton and passed through your Campbellton office correctly, what transpired further?—A. Now, then, we have—

Q. You say your Campbellton manager referred it to Chatham?—A. To Chatham, yes.

Q. What was the result there?—A. Now, it reached Chatham wrong. The message read there as 'Dalhousie.' We have the statement here to Miss Ryan from the manager. (Reads):

MISS RYAN.

Please let me have an explanation how 8th word, 'Bathurst,' in attached message was received as 'Dalhousie.'

(Signed) E. McQUILLAN.

Campbellton, N.B., Oct. 2nd, 1909.

The statement of the operator in reply reads (reads):

E. McQUILLAN.

I have no recollection now how I received word. I would hardly write 'Dalhousie' for 'Bathurst' if it were sent 'Bathurst.'

(Signed) M. B. RYAN.

Campbellton, N.B., Oct. 2, 1909.

Now, the error occurred between the operator at Campbellton and at Chatham, and there is no definite way of determining which operator made the error, as there was no record tape machine on the wire; We don't use them now-a-days. The receiving is all done by sound, and there is no official record kept of the actual sending, so it was impossible to definitely determine which operator was to blame—the sending operator or the receiving operator.

Q. Then, from Chatham the telegram was addressed to Loggieville?—A. Well, it was not necessary to follow the investigation any further, as we had located the error which would have been sent probably from Chatham to Loggieville.

Q. The error occurred between the two operators—A. Yes.

Q. At Campbellton and Chatham?—A. Between the operator, M. B. Ryan, at Chatham, and the operator, H. R. Walsh, at Campbellton.

Q. Then, when telegram reached A. & R. Loggie at Loggieville it read 'Dalhousie'?—A. It read 'Dalhousie,' yes.

Q. That being the way in which the message left the Chatham office?—A. Yes.

Q. Now, between Ottawa and Loggieville how many repetitions would there be of the telegram?—A. I could not say.

Q. In the ordinary course?—A. In the ordinary course? I do not know exactly the different routes for the eastern provinces; it is out of my district. You see what I mean? We send the message to the recognized head office for that district.

Q. But there would be at least two repetitions, one at Campbellton and one at Chatham?—A. Yes, that was shown at this investigation, and probably three. I think possibly Quebec also handled this particular message.

Q. Then, if the message went through Quebec also there would be three repetitions?—A. That would not be necessary in the ordinary course of events, because Montreal works with Campbellton direct.

Q. But not always?—A. Not always; but in case of trouble on the wires or heavy business, the messages are routed to the best advantage.

Q. Did you send me that letter (handing document to witness)?—A. I did, yes.

Q. Just read it, please?—A. Well, I have a copy of it here.

Q. You may read your own copy then?—A. It is addressed to the Hon. William Pugsley, Minister of Public Works, Ottawa.

By Mr. Crocket:

Q. What is the date of the letter?—A. October 12th. (Reads):

DEAR SIR:—

Referring to your complaint of error in telegram, filed at Ottawa, June 1st, 1909, addressed to A. & R. Loggie, Loggieville, N.B., signed by Mr. Eug. D. Lafleur, Chief Engineer., in which word 'Bathurst' was rendered 'Dalhousie.'

I am directed by the general manager to explain to you that the error occurred between the operators at Campbellton, N.B., and Chatham, N.B.

It is one of the unexplainable mistakes which sometimes creep in despite every care being exercised to avoid them. The operator at fault has been severely dealt with, and precautions have been taken to prevent a recurrence.

In regard to the matter of a delivery of a second message reading correctly, without it being shown as a 'duplicate,' it would be necessary to again have the general manager's office make an investigation, the results of which will be communicated to you.

Yours very truly,

(Signed) CHAS. E. DAVIES,

Manager.

Q. What does the last clause refer to?—A. Well, I believe at the time of the investigation it was claimed by someone in the Chief Engineer's Department that there was a second message delivered reading 'Bathurst.'

By Mr. Crocket:

Q. Claimed by someone in the Chief Engineer's office at Ottawa?—A. I believe that was the complaint; it was a telephoned complaint. I returned the results of the investigation, and someone called me up later, I believe—I could not say positively that that is the way I got it—but anyway it was brought to my attention that there was a second message delivered which had caused a misunderstanding. Well, I had the papers returned to the general manager on October 12th. I said:

Respectfully, returned to I. McMichael, General Manager. A feature of the complaint which was not brought out before is that it is claimed a second message was delivered to Messrs. A. & R. Loggie, reading correctly, 'Bathurst.' Therefore the dredging, to the extent of nine thousand, six hundred dollars was performed at both Bathurst and Dalhousie, and the government has an expenditure

to face covering this amount. Hon. Mr. Pugsley wishes an investigation made as to the second delivery of the message, who discovered the error, and why was party not advised to cancel first message.

That went through forwarded to Mr. McMichael and Mr. Pope. The General Manager says,—

If the information contained on the above endorsement of Manager Davies, Ottawa, dated the 12th inst., it makes the matter still worse. Whoever it was at Chatham who sent the corrected copy to addressee, should have had sufficient sense, even without any rules to guide him, to mark it 'Corrected copy,' so that the addressees would know the first message should be disregarded. Please take the matter up sharply with the party at fault, and see that he or she is severely reprimanded, and carefully instructed for future guidance.

That was referred through and a statement here of the New Brunswick operator states, "No second message was delivered."

By Mr. Pugsley:

Q. No second message was delivered?—A. No. It was returned to me then by the General Manager on October 30th who says,—

Respectfully, to Charles E. Davies, Manager, Ottawa, Ont., with result of investigation, from which it would appear that but one copy of this message was delivered, no second copy being delivered as claimed.

I think it probable that what originated the second message was that there was a message sent through to the Government agent there.

Q. Mr. Stead, the Resident Engineer?—A. That was my impression at the time.

Q. That was where the impression was given, that there was a second copy with "Bathurst" in it. At all events that is the result of the investigation which you made, that the mistake occurred somewhere between Campbellton and Chatham?—

A. It lies between the two operators. One or the other operator substituted the word "Dalhousie" for the word "Bathurst."

Q. And upon making inquiries as to whether there had been a second message delivered to Messrs. A. & R. Loggie with the name "Bathurst," you found no second message was delivered?—A. No second message was delivered.

Q. That is the operator at Chatham?—A. The operator at Chatham handled that message, M. B. Ryan, a girl.

Q. Do you know her full christian name?—A. I do not know.

Q. Just M. B. Ryan?—A. Yes.

Q. And at Campbellton, who was the operator?—A. H. R. Walsh.

Mr. PUGSLEY.—That is all I have to ask.

By Mr. Crockett:

Q. Was there only one message sent from the Ottawa office one the first June to Messrs. A. & R. Loggie?—A. I could not answer that without going through my records. You mean from the Public Works Department?

Q. Yes?—A. I cannot answer that unless I went through my records.

Q. Is there not some reference in the file as to that?—A. Not as to this. I was investigating a specific message.

Q. I thought there was some specific reference that there was just one message from the Public Works Department from the Ottawa office on the first June?—A. I don't believe I have anything referring to that in this correspondence. What I referred to was the delivery of a corrected copy. It was claimed there was a corrected copy delivered to Messrs. A. & R. Loggie at Loggieville.

Q. I understand, but the fact I wish to know is, whether there was just the one message filed at the Ottawa office from Mr. Lafleur to Messrs. A. & R. Loggie on the

first of June?—A. Well, I cannot tell you without examining my accounts. You see there might be a message on some other matter entirely. In an investigation of this kind we only touch specific cases.

Q. Well, I would like to know that, whether there was any other message sent to A. & R. Loggie?—A. On any other matter at all?

Q. In reference to dredging from any officer of the Public Works Department?

By Mr. Pugsley:

Q. You can find that on your records?—A. I can look at the Government account and see if we have any charged on that date. That is the only way I could learn.

By Mr. Carvell:

Q. That would show?—A. It would show the addressee and the point going to.

By Hon. Mr. Pugsley:

Q. On June 1st to A. & R. Loggie from any one connected with the Public Works Department in reference to dredging?—A. I could not tell you what it would be in reference to, because our business is all destroyed.

By Mr. Crocket:

Q. Well, if there is any message from any one connected with the Public Works Department?—A. If there is anything charged the government account would show.

By Hon. Mr. Pugsley:

Q. It would show the sender and the addressee?—A. Sometimes only the addressee and the point going to.

Q. If it was addressed to A. & R. Loggie, you would be able to tell us?

By Mr. Crocket:

Q. You have no explanation as to how this error occurred?—A. I have the general manager's letter here in explanation.

Q. Except what you have stated?—A. It is unexplainable how these mistakes sometimes creep in.

By Hon. Mr. Pugsley:

You have the general manager's letter. You might read that?—A. He returned it to me. He says:—

Please have the best possible verbal explanation of the matter given to the complainant, pointing out where the error occurred, and stating that it is one of those unexplainable mistakes that will creep in occasionally despite every care to avoid them. You should also explain that the employee at fault has been severely reprimanded, and express our sincere regret at the defective service, and assure the complainant that there will not likely be a recurrence of this nature in future.

By Mr. Crocket:

Q. All you have determined is that the error occurred between Campbellton and Chatham?—A. Yes.

Q. And that the message was received at Chatham with the word 'Dalhousie' substituted for the word 'Bathurst'?—A. Yes.

Q. Now, these are absolutely dissimilar words?—A. Not in the telegraphic code. The Morse code, which we use, has a large number of similar letters. First, you might say the first four or five letters of the two names are very similar. The only difference in the first letter would be a dropping of one dot, and in the third letter the shortening of the dash. The operators in those small towns are not first-class

operators, because you cannot induce first-class operators to remain there, there is not sufficient business, but they are as good as the company can get and are generally reliable, because the speed is suited to their ability. But she has evidently got the first four letters and dropped a dot in the letter 'B' and guessed at the rest of it.

Q. Dosen't Miss Ryan or Mr. McQuillan say they could not understand how, if the message were sent 'Bathurst,' it would not be so received? Does not that statement appear in the letter or report of the operator?—A. The operator says: 'I have no recollection now how I received the word. I would hardly write "Dalhousie" for "Bathurst" if it were sent "Bathurst."'

Q. You have no record there with reference to a telegram to the firm of A. & R. Loggie on the 7th of June?—A. The 7th of June would not be on this list, no.

Q. The 1st of June. I have a copy of a telegram which appears on the file furnished by Mr. Doody, of the Public Works Department, dated 1st of June, 1909:

A. & R. LOGGIE,

Loggieville, N.B.

You are authorized to proceed with dredging at Caraquet at last year's contract prices, expenditure to be limited ten thousand dollars.

(Signed) EUGENE D. LAFLEUR,

Chief Engineer.

A. Yes.

Q. You are not in a position to give an explanation of that?—A. It is not on this file.

Q. That was sent on the same day as this other telegram?—A. I will look it up and let you know if we have it.

Q. I have an impression that there was another one sent on the 7th of June—yes, here is another one dated the 7th of June, the same year; you might refer to that also. (Reads):

OTTAWA, June 7, 1909.

A. & R. LOGGIE,

Loggieville, N.B.

You are authorized to proceed with dredging at following places at same prices as last year. Expenditure to be limited to amounts mentioned: Caraquet, N.B., ten thousand dollars; Bathurst, N.B., nine thousand six hundred dollars.

(Signed) EUGENE D. LAFLEUR,

Chief Engineer.

Hon. Mr. PUGSLEY.—What is the date of that?

Mr. CROCKET.—7th of June.

—A. I could not furnish you with the contents of those messages.

By Mr. Crocket:

Q. This is a copy of a telegram furnished by the Public Works Department as being sent on that day.

Hon. Mr. PUGSLEY.—There is no question about that.

By Mr. Crocket:

Q. Where is your office situated in Loggieville?—A. I couldn't say anything about that.

Q. Do you know the operator at Loggieville?—A. No.

Q. You have no knowledge of that?—A. No.

By Mr. Barker:

Q. What evidence did you get as to what message Miss Ryan sent forward?—A. You mean from—

Q. From Chatham?—A. From Chatham? Well, we had located our error by that time and I do not think there was much more done in the matter.

Q. Then you never did know and you do not know now what she sent forward, that is as a fact?—A. Well, only that we have this copy reading "Dalhousie" in Chatham and they had received no other copy reading differently.

Q. But, as a fact, did you ascertain what Miss Ryan sent forward, was she able to give you any information on that point?—A. The manager at Chatham admits that his copy reads "Dalhousie," and so it went forward in that way.

Q. Have you got that message with you?—A. No, we would not include that in our complaint file, that is beyond where the error occurred.

Q. At Chatham, you traced it to Chatham, and possibly it occurred there, but you haven't the telegram they received?—A. We only trace a complaint so far as the responsible party and we take measures with the party. After a complaint comes in the object is not to get any particular evidence but to locate the error and reprimand or discharge the official responsible.

Q. Have you a copy of the message at Campbellton?—A. I have, it was necessary to include that because the error had not been located at that point.

Q. Have you that there?—A. Here it is.

Q. I do not want to see it if you have it there. You have a copy of the message received at Campbellton?—A. Yes.

Q. Why haven't you here the original or a copy of the message as received at Chatham?—A. Campbellton put in their copy as proof that the error wasn't in their office. Chatham admitted the error.

By Mr. Crocket:

Q. I understood you to say that the mistake occurred either by the operator at Campbellton or Chatham?—A. They admit at Chatham that their copy reads "Dalhousie"; they admitted that and the Campbellton copy is included as proof that their copy is correct.

By Mr. Barker:

Q. But you haven't brought that Chatham message here?—A. No, I have the statement from the Manager at Chatham admitting it.

Q. You have brought messages in some cases but not the one where apparently the trouble occurred?—A. No, not the Chatham message.

Q. Why did you omit to get that? That is the important one?—A. We did not know at the time this investigation was being made that any of these messages would be required.

Q. In the course of your investigation you brought the Campbellton paper, why didn't you bring the Chatham paper? Apparently that is the important one?—A. It would be for this inquiry, but not for our investigation.

Q. Is that paper there still?—A. It probably might be destroyed now because nine months have elapsed.

Q. You never saw it?—A. No.

Q. How do you know that the agent at Chatham—?—A. Just wait a moment, please, I might have that copy here after all; I didn't think it was here, but I have two complaints here. Mr. Loggie also took up this complaint from the other end, and our two complaints met on the way. I see here is an impression copy of it that I hadn't noticed before. I know I did not have the original—yes, he says:

Have inclosed the impression copy of message June 1st to Loggie signed Lafleur."

that is Chatham. The impression itself is rather blurred, but I will try to read it.

By Mr. Carvell:

Q. That is a copy, an impression copy of the message as received at Chatham from Campbellton?—A. Yes, but it is very badly blurred.

Mr. BARKER.—Read it as well as you can.

—A. It says: "You are authorized to continue," I think it is, "dredging at Dalhousie under" the next word I cannot make out, it is either "some" or "same" "contract as last year." The next word is blurred but I think it is "expenditure to be limited to" the next word is entirely illegible, "thousand six hundred dollars."

Q. Who is it signed by?—A. Eugene Lafleur.

Q. And it is addressed to?—A. A. & R. Loggie.

By Mr. Barker:

Q. That is the Chatham impression?—A. The Chatham impression.

Q. That is the pressed copy of the paper which was on the file at Chatham?—A. Yes.

Q. That you know yourself?—A. Yes.

Q. As received from Campbellton?—A. Yes, it is blotched with the ink very badly and you cannot make it out very clearly. I did not know that I had it.

By Hon. Mr. Pugsley:

Q. When your attention was first called to the fact that there had been an error in the transmission of the telegram?—A. I think the first was the day I took up this complaint with the general manager, September 23rd.

Q. September 23rd, and previous to that there had been, so far as you know, no suggestion and no thought that there was any error in the transmission of the telegram?—A. No, sir, Mr. Loggie took up his complaint on September 24th. He wrote to Mr. Pope, the superintendent there, probably on the 22nd, as Mr. Pope took up this complaint on the 24th, and the two complaints were merged.

Q. Mr. Loggie started a complaint from Loggieville on the 24th of September — A. Well, he probably started it a little before that as it reached Quebec on the 24th.

Q. That is the first record you have — A. Yes.

Q. And my department, either myself or some one else in the department took it up on the 23rd of September — A. Yes.

By Mr. Crocket:

Q. I would like to know if there was another telegram sent on the 1st and 7th of June?—A. I will look it up and communicate with you or let you know.

Mr. CROCKET.—I will call in your office and will tell you if it is necessary to bring you back again.

Witness retired.

Hon. Mr. PUGSLEY.—Just a moment, Mr. Davies, let me see Mr. Loggie's complaint (document handed to Mr. Pugsley). Well, I think perhaps it will be well to have this put upon the record.

Mr. DAVIES, recalled.

By Hon. Mr. Pugsley:

Q. This is a complaint made by A. and R. Loggie. You say, Mr. Davies, that they started a complaint on the 24th of September, or at least that it reached Quebec on the 24th?—A. The record we have on that complaint is that A. and R. Loggie's letter was received—I do not know exactly when it was received, but Mr. Pope, superintendent at Quebec, forwarded the complaint on September 24th to the manager at Campbellton, and attached to it is a report of the Campbellton manager, a report of the service which was forwarded to the manager at Chatham, who explained how the error had occurred. The instructions of the superintendent were to procure Miss Ryan's statement in regard to this error 'Dalhousie' for 'Bathurst.' That is on September 30, 1909, and in the meantime my complaint was in the general manager's offices, and this one was shelved.

Q. So that it is evident, about the 24th of September, Mr. Loggie made a complaint at the Loggieville end that the word 'Bathurst' had been changed to 'Dalhousie'?—A. Yes.

Q. And the authorities of the company proceeded to investigate that as well?—A. At the time this happened that section of the country was in Superintendent Pope's district and he started an investigation from Quebec, you see. I think, Mr. Crocket, it is an error that will come up occasionally.

Witness retired.

Mr. CARVELL.—Mr. Crocket, here is Mr. Stead's report and the plan attached to it.

Mr. CROCKET.—In that report he referred to this morning?

Mr. CARVELL.—Yes.

Hon. Mr. PUGSLEY.—You can have a blue print of this made, can you not, Mr. Doody?

Mr. DOODY.—Yes, showing the contour lines, I suppose.

Hon. Mr. PUGSLEY.—Showing the breakwater and the island and everything as it is and that can be attached to this report.

Hon. Mr. PUGSLEY.—I would like to make a brief statement with regard to myself and my movements in the summer of 1909. Perhaps, Mr. Chairman, it would be well to be sworn as a witness.

The oath administered by the chairman.

Hon. Mr. PUGSLEY.—As I approved of the payments for this work in September, 1909, as appears by the record, I thought it well that I should give the committee the facts so far as they came to my knowledge. I may say that I left Ottawa in the latter part of June, if I remember rightly, for British Columbia—I think the date was the latter part of June—and I was absent in the western provinces, the prairie provinces and in British Columbia for several weeks, returning to Ottawa in the latter part of August or the 1st of September; it was very close to the 1st of September. Before I left, and sometime in May or June, I had under consideration the question of dredging at several places, among them Caraquet, Bathurst and Dalhousie, and I had given directions for the appointment of an inspector for Dalhousie in case the dredging should be undertaken that year. Dredging had been done there in the previous year, and I recognized that dredging was required in the public interest at Dalhousie. I may say that Dalhousie is, to my knowledge, a very important port. There is a good deal of shipping coming there, and that shipping consists of steamers as well as sailing vessels; and I was also aware that it is the terminus of the steamer running between the New Brunswick side and the Quebec side of the Restigouche or Bay Chaleur.

With regard to the appropriation for dredging, it has been stated somewhere that there was no appropriation for Dalhousie. That is not correct. There was a general appropriation for dredging in the maritime provinces.

Mr. CROCKET.—That statement, you will pardon me, is the statement of Mr. Valiquet, who is acting chief engineer of the department.

Hon. Mr. PUGSLEY.—It is not correct to say that there was no appropriation. There was an appropriation for a large amount for dredging in the maritime provinces, and it was my duty, under the advice of the proper officials of my department, to apportion that amount among the different places where, in my judgment, dredging should be carried on. So it was quite within my power to make an allotment for Dalhousie as well as for Bathurst and other places.

By Mr. Carvell:

Q. Could you do that without an order in council?—A. Yes, I could apportion the amount. I might obtain an order in council for dredging at certain places, but the apportioning of the amount is done by the minister, acting, of course, under the

advice of the officials of the department, and which would be based upon the requirements at the different points. I cannot recall why it was not actually decided to carry on the dredging at Dalhousie before I left for the west; I think it was an oversight. However, I left for the west and heard nothing in regard to the dredging at Dalhousie until I returned, when, some time in the month of September, I learned that Messrs. A. & R. Loggie had been dredging at Dalhousie and there was a question with regard to payment. My attention was called to the fact that Messrs. A. & R. Loggie claimed that they had a telegram from the Chief Engineer authorizing them to proceed with the work of dredging at Dalhousie. I was looking up the files, and I found that Mr. Valiquet, who was acting in the place of the Chief Engineer—then passing through an illness, I think, or upon a vacation—claimed that there was no record in the department of authority having been given for dredging at Dalhousie.

Mr. Reid, the member for the county, sent me, if I remember rightly, a copy of the telegram which Messrs. A. & R. Loggie claimed to have authorized them to proceed with the dredging at Dalhousie. Having got the telegram, I had further search made in the office and no record could be found of it. I then asked Mr. Reid by telegraph, if I remember rightly, to have forwarded to me the original telegram claimed to have been received by Messrs. A. & R. Loggie, and that was sent to me. I, having examined the telegram and called the attention of my officials to it, returned it either to Mr. Reid or Messrs. Loggie—I think to Mr. Reid, but I am not sure as to that. At that time I could not believe it possible that there would be an error in the telegram; it seemed so extraordinary that there should be, and I could not believe it. I presumed that through some mistake the Chief Engineer had omitted to keep a copy of the telegram. However, later on I started the inquiry by calling the attention of the manager of the telegraph company to what must have been a change in the telegram, having become convinced from the statement of the officials that there was no such telegram on the file. I think it is correct, as Mr. Davies says, that I asked him on the 23rd or 24th September—at all events, it was the latter part of September—to begin the inquiry to ascertain how the error had occurred.

Then, with regard to the payment, I learned that Mr. Stead had laid out the work, that it had been done under his supervision, either through himself or his assistants, and also that there had been an inspector upon the work, so that there was proper inspection; that the work was necessary in the public interest; and as Mr. Loggie had done the work under an assumed continuation of the contract of the previous year and under the assumed authority of the department through the telegram which had been delivered to him, I decided that it would be proper to pay him for the work which he had done.

Now, there is one other matter I wanted to refer to. Mr. Crocket spoke of one of the witnesses upon the stand, I think it was Mr. Stead, having referred to my having stated in the House that I was a shareholder in the Dalhousie Lumber Company. I deem it right to say that some eight years ago, I think it was, at the request of Mr. Stavert, who was then the manager of the Bank of New Brunswick, I associated myself with Mr. Manchester and others and took stock in the company which was then being formed, called the Dalhousie Lumber Company, to buy out Mr. George Moffatt. The property purchased consisted for the most part of large timber areas, and also a pond in Dalhousie. I did not have my attention called particularly to the property in Dalhousie; as to whether the company owned the wharf or not, my attention never was called to that. I never attended a meeting of the shareholders of the company, and some three years ago, in conjunction with Mr. Manchester and others, I decided to sell out my interest, and placed the matter in Mr. Manchester's hands. However, no sale of my stock was made until a year ago. A year ago I did sell out my stock, taking what I had actually put into this company in cash and throwing off interest for a number of years.

With regard to the dredging, I never interfered with it. I did not know where the dredging was to be done in Dalhousie, except that my information was that it was in Dalhousie harbour. As to where it should be carried out that was left to the

engineering branch of the department, to have it done where it would be in the public interest. The dredging work at Dalhousie had been started before I became Minister. Work had been done there as early as 1905, and I think there had been surveys away back ten years before that.

By Mr. Carvell:

Q. Have you ever received a protest from any resident of Dalhousie, or the county of Restigouche, against the work which has been carried on in Dalhousie?—A. No. The work has been very strongly urged by Mr. Read, the member for the county. The dredging work, he pressed upon me, was very urgently required at the port of Dalhousie as well as at the port of Campbellton.

By Mr. Crockett:

Q. Do you know whether Mr. Reid is a shareholder of the Dalhousie Lumber Company?—A. I do not know.

Q. You say that you were away——?—A. Will you pardon me, there was another thing I was going to say as to the Ferry basin. I understood that if it was dredged out it would form a very sheltered portion of the harbour, and that dredging was required, not only to the Ferry wharf, but that there was a bar in front of the entrance which was required to be dredged. I do not know positively.

Mr. CARVELL.—The plan will show that.

By Mr. Crockett:

Q. You say you were away for some weeks during the summer of 1909?—A. Some eight weeks.

Q. I notice an item in the Auditor General's report on page V—16, which will give us the date. (Reads):

Outlay of Minister—Pulman Company, Chicago: Services of car 'Pilgrim,' Ottawa to various points and return, June 27 to Aug. 15, 1909—49 days at \$45; freight charges \$17.55, \$2,222.55.

—A. That would be correct, except that after my return to the east it was some days before I came to Ottawa.

Q. It would be some days after the 15th of August?—A. After the 15th of August.

Q. After this private car was charged for that you returned to Ottawa?—A. Yes.

Q. Now, you referred to a statement having been made that there was no appropriation for the work at Dalhousie as rather unwarranted. That statement you referred to, I think, was made by Mr. Valiquet?—A. Mr. Valiquet should have said no allotment made.

Q. Well, that statement appears in a letter of Mr. Lafleur of August 17, 1909, and signed by him for the Chief Engineer. He was then acting as Chief Engineer for the department. No, it is another letter in which he referred to that. Yes, it is a telegram sent by Mr. Valiquet on August 4th to Mr. Geoffrey Stead, District Engineer. (Reads):

Notify Contractors Loggie that there is no appropriation for dredging at Dalhousie and that work is not authorized.

You say there was a general appropriation for dredging in the maritime provinces?—A. Yes.

Q. Mr. Doody, have you got the original file of the department in which dredging was to be done? While Mr. Doody is looking that up, there was an order in council passed, wasn't there? The order in council was to extend the dredging works in the province of Nova Scotia and New Brunswick, in fact all the provinces of the Dominion in May, 1909?—A. I do not recall to mind, but I think very likely there was. The contracts provide that they can be extended by the minister, but usually, though, it

is not always the case, I make a recommendation to council and have an order in council passed.

Q. Well, this order in council passed?—A. In May, 1909.

Q. That authorized the extension of certain contracts and the entering into of certain new ones in all the provinces?—A. (Reads):—

The minister further states that the above contractors are prepared to continue dredging during the present season at the places named at the same prices as those mentioned in their respective contracts for last year's work. In the circumstances it is considered in the public interest to continue the contracts in question during the present season of 1909 for the further dredging required at these places.

You will observe that those amounts would be paid out of the general appropriation.

Q. I understand that. It was under the authority of this order in council that the Caraqueet contract was extended, and also that the dredging at Bathurst was continued, was it not?—A. It mentions Caraqueet.

Q. There is a separate clause referring to Bathurst, Doctor?—A. Oh, yes. (Reads):—

That Messrs. A. and R. Loggie performed dredging last year at Bathurst, N.B., at the same prices as those of their tender for Caraqueet, viz.: \$3 per cubic yard for rocks, &c., and 41 cents per cubic yard for other materials. These contractors are prepared to execute the further dredging necessary at Bathurst under the same conditions.

Yes.

Q. And there is no authority under that order in council for the extension of the Dalhousie contract?—A. Dalhousie is not mentioned.

Q. The only places mentioned in New Brunswick are Oromocto shoals, Caraqueet, Miramichi river and Miramichi bay?—A. Yes.

Q. And Bathurst?—A. Yes.

Q. Dalhousie is not mentioned. You say it is your duty or the duty of the department to allocate or allot to the different places mentioned a certain sum of the general vote for dredging in the Maritime provinces?—A. That is right.

Q. Here is the allotment for the plans named in the province of New Brunswick. Is there any allotment there for Dalhousie?—A. No, I do not see any allotment for Dalhousie.

Q. There is an allotment for other places in New Brunswick?—A. As I stated before, when I left for the west the matter had not been definitely decided.

Q. But before you returned the work was in progress?—A. The work was in progress, I think, in the early part of September, possibly before.

Q. On the main vote for dredging this order in council states: 'The Minister submits that the expenditure in connection with this dredging is properly chargeable against the appropriations of \$380,000 for dredging in the maritime provinces, and \$380,000 for dredging in the provinces of Ontario and Quebec, voted by Parliament at its last session.' Now, to the New Brunswick dredging, to the New Brunswick dredging contracts, these amounts are allotted under this order in council: \$10,000 allotted at Caraqueet; \$30,000 at Oromocto shoals; \$6,000 at Miramichi river; and \$20,000 at Miramichi bay?—A. What amounts.

Q. \$10,000 at Caraqueet, \$30,000 at Oromocto shoals, \$6,000 at Miramichi river near Barnaby island, and \$20,000 at Miramichi bay?—A. Yes.

Q. Now, had the department any right to expend any more moneys than were allotted out of that at those points?—A. Than were allotted?

Q. Yes?—A. Well, what we often do is this, we make an allotment, but if certain dredging is required at a particular port, we may permit the contractors to go on with the necessary work, but they of course have to wait until a further appropriation

is made by Parliament, just the same as in the construction of public buildings we often let a contractor erect a public building, the cost of which may amount to three times the appropriation, but we always provide that if the contractor exceeds the appropriation, he does that on the understanding that he shall wait for an appropriation by Parliament.

Q. This vote was for what year, 1909?—A. Yes.

Q. There was \$31,000 paid, according to the Auditor General's Report, to A. & R. Loggie for dredging at Dalhousie?—A. Yes. That was paid in 1909, was it?

Q. Paid in 1909. It was in the Auditor General's Report for the last fiscal year?—A. That would show, I think, Mr. Crocket, there must have been a balance out of the appropriation available for that purpose.

Q. I was going to ask where that came from?—A. Well, I am not sure as to Oromocto shoals. I am inclined to think we did no dredging there in 1909. But I am not sure. That would account for \$8,000. If I had the Auditor General's Report I could tell you. Yes, we did work on the Oromocto shoals that year; we did \$28,190 dredging there. It must have been taken from the appropriation which could not have been exhausted.

Q. Otherwise, the Auditor General could not have paid it?—A. He would not have paid it, no.

Q. That means that the allotment that was made for some of these other points could not have been expended, and was diverted to the Dalhousie work?—A. It might be that in some cases in which an allotment was made no contract was entered into and no work done; in some cases tenders are called for, and where there is no response to the call, or where the prices are higher than we think we are justified in paying, the work is not proceeded with. I could not tell you now without going into the details how that was provided for, but I take it for granted there was the amount available, otherwise it would not have been paid.

Q. Do you say that it was the intention to continue the dredging at Dalhousie?—A. I had it in contemplation, yes.

Q. Do you remember in the House last year, when discussing the question of the Dalhousie contract, I asked you a question in reference to it, this is at page 479⁵ (reads):

Mr. CROCKET.—I said in the case of the dredging at Dalhousie there was a contract two years, and the minister announced it was to be extended next year.

Mr. PUGSLEY.—I did not.

Mr. CROCKET.—Then I certainly misunderstood him. Did he not state the dredging was to continue next year?

Mr. PUGSLEY.—The hon. gentleman wishes to draw the inference that I said the Loggie contract was to be continued another year. I made no such statement, and no decision has been arrived at on the subject.

Mr. CROCKET.—Can he not state whether the Messrs. Loggie will continue the dredging at Dalhousie next season?

Mr. PUGSLEY.—The matter has not been considered at all.

A. That would be the season that was past.

Q. Yes, I understand that; but what I want to get at is this, the contract is let to the Loggies for dredging at Dalhousie, generally, with this clause that has been put on the record as to renewal?—A. What is that clause? Is it not, as I have stated, that the minister might renew?

Q. I want to find out.

By Mr. Barker:

Q. I think the contract reads 'renewed by order in council'?—A. Let us see, I think it is different. I have a different impression while I usually do not obtain an order in council—yes, these are the words: 'And that the said contractors——' this is

on page 2 of the contract, 'shall commence the work immediately after the present agreement shall have been signed and shall vigorously and regularly carry on and prosecute the said works, and shall provide all the towage incident to the removal from any locality to another, when required and necessary, so as to ensure the completion of the works on or before the close of navigation of the present year, or to such a day or a date as the said minister may determine.' I thought it was that.

Q. 'Day of that year'?—A. No, no, 'to the close of navigation of such year or to such day or date as the said minister may determine.'

Q. That is day of that year?—A. No, that is not the interpretation always given to that, I think. I knew under that clause, my opinion has been, that I could, in the exercise of my judgment, extend the time into another year.

Q. What I wish to ascertain is when contracts are made under those terms for dredging at places generally whether that authority does not cease at the close of that dredging season, or at the close of the fiscal year?—A. I understand it does not. It ceases unless the minister extends the time.

Q. Unless the time is extended.—A. By the minister.

Q. And the proper course is to extend that under an Order in Council, is it not?—A. It is not the universal practice.

Q. There was in this case an order in council extending all those contracts that I have referred to?—A. The order in council will speak for itself.

Q. Well, the terms of the order in council are—A. That is as to these particular works?

Q. Yes.—A. That would not exclude the right of the minister to extend it under the contract, because the contract is so worded, and it provides that the minister may extend the time, I should think the minister could do it. As a matter of fact the minister has done it.

Q. Did the minister extend this contract for the year 1909?—A. Not early in the season, but I would think that when the minister approved of the work, when I approved of the work and ordered payment on the ground that it had been done under the direction of the resident engineer, and under proper inspection, I would think that would be tantamount to an extension.

Q. That memorandum of yours is dated the 22nd of September, 1909, this work was begun on the 12th of July, 1909?—A. Quite so.

Q. And it proceeded uninterruptedly from that date?—A. Under the assumed authority contained in that telegram.

Q. Yes, on a telegram which you say was not sent from the department. Now in that memorandum to which you refer you say: "And as Messrs. Loggie went on in good faith and did the dredging under the direction of the resident engineer, and as this work was necessary, kindly have the necessary payments made pursuant to the report of the resident engineer." Now did you have knowledge at that time that this work was going on regularly under the supervision of the resident engineer?—A. My information was that it had been under constant inspection by the inspector appointed by the resident engineer with my authority, and with the authority of the chief engineer, that the work had been laid out by the resident engineer.

Q. When laid out?—A. Laid out that season or the previous season, it was doing work laid out by the resident engineer, and that the resident engineer either had certified or would certify to the accounts in the regular way.

Q. From whom did you receive that information?—A. I don't remember from whom I received it.

Q. There is nothing on the files?—A. Oh yes, the reports were sent in regularly week by week.

Q. There is nothing on the file that has been furnished here conveying that information; we ascertained that from Mr. Stead?—A. Mr. Stead swore they were all sent to Mr. Godwin.

Q. Yes, without any accompanying letter. Had you seen these dredging returns previous to the 22nd of September?—A. I do not know whether I had seen them or not but I had been informed that returns were made.

Q. You remember that you had been informed that returns were made?—A. Yes, And that as far as inspection was concerned it was regular, that the inspector was on the work constantly, and had made his weekly returns, that was my information. By the way, before you go further, Mr. Crocket. in this specification here is the very clause bearing upon the question of extending the contract. It says:

“Note.—It must be distinctly understood that the department does not bind itself to continue the work at the prices quoted after the close of navigation this coming fall, or after the close of the present fiscal year, in cases when the navigation is open all the year, nor after the appropriation granted for this work is exhausted; but we agree that the department will have the power and right to, at any time, call upon us to continue for one or more ensuing seasons the dredging which may be awarded to us under this tender, and at the prices herein quoted.”

Q. Yes, that is the clause I had in mind.—A. So that there are two of them you see.

Q. And you say that under that it ceases unless it is extended by the minister?—A. Unless extended by the minister.

Q. Now had your attention been called before you wrote that memorandum of the 22nd September to the fact that Mr. Valiquet, the acting chief engineer, had telegraphed to the resident engineer on August 4th to inform contractors Loggie there is no appropriation for the dredging at Dalhousie and that the work is not authorized?—A. I do not remember that my attention was called to the particular communication from Mr. Valiquet. What was the date of my letter?

Q. 22nd of September?—A. (After examining file.) No; I do not remember that I saw Mr. Valiquet's letter. However, I knew that Mr. Valiquet had refused to pay the accounts because he had not been able to find copies of this telegram to Messrs. A. & R. Loggie.

Q. And that the work was not authorized?—A. As far as I remember, what Mr. Valiquet said was that he could not find any telegram on the file. That is my recollection, and naturally I at first thought it must be a mistake, that Mr. Lafleur had omitted to keep a copy.

Q. I think you will find a letter on file to Mr. Stead some time before that. Did you have before you and were you dealing in this memorandum with the account of Messrs. Loggie of \$5,043 for dredging at Dalhousie during the month of July?—A. No. I intended to deal with the whole dredging work of that season.

Q. You say you intended to deal?—A. Yes, I intended to deal with it.

Q. And do you say that that memorandum of the 22nd September was intended to authorize the work for the whole season?—A. I cannot recall it now, but I would assume so.

Q. That is your assumption now, is it?—A. Yes, that is my assumption. Of course, I cannot now recall now, Mr. Crocket, any distinction. It is very likely, as I say, having reference to the work that had been done up to that time, but I cannot recall now.

Q. That account, you see, had been sent in by Mr. Stead on the 14th August for work done in July?—A. I think my memorandum to the deputy will speak for itself, will it not?

Mr. CROCKET.—Yes, the memorandum is there, but I interpret that as dealing—

Mr. CARVELL.—You will find it under date of 22nd September.

Mr. CROCKET.—Yes, I have read from that.

By Mr. Crocket:

Q. Now, Mr. Stead, in his letter of 14th August inclosing this account, states (reads):

This work was done by the authority of a telegram, of which a copy is attached.

I have received your telegram of the 4th saying that this work was not authorized late this evening, and handed Messrs. Loggie a copy of this telegram on the 5th instant.

Did you treat that as a direction to Mr. Stead to stop operations or not?—A. I never knew of that being sent; I was away at the time.

Q. But at the time you wrote your memorandum on the 22nd September, you had your whole case before you?—A. I may or may not have had.

Q. You do not know whether you had that before you or not?—A. No.

Q. There is a letter from Mr. Valiquet in which he says that under the circumstances this account cannot be sent in for payment. The letter is dated August 17th, and he concludes the letter with these sentences: 'Under the circumstances the account for Dalhousie dredging cannot be sent in for payment.'—A. Mr. Valiquet acted perfectly right in regard to it. He could not authorize payment without my direction or my authority as minister.

Q. That was the account of July that he was dealing with?—A. It speaks for itself.

Q. It says so there, does it not?—A. I have not looked at it.

Q. August 14th was the date of Mr. Stead's letter, and August 17th was the date of Mr. Valiquet's?—A. He is referring to an account for July.

Q. An account for July?—A. That appears on the face of it.

Q. And then your memorandum states (reads):

Under these circumstances, and as Messrs. Loggie went on in good faith and did the dredging under the direction of the resident engineer, and as this work was necessary, kindly have the necessary payments made pursuant to the report of the resident engineer.

(Signed) W. P.

A. That would be the payments made for dredging done at Dalhousie as appearing from the reports of the resident engineer.

Q. Now, your attention having been called to the fact that not only was there a mistake made in the telegram to Messrs. Loggie through 'Dalhousie' being substituted for 'Bathurst,' but that telegram limited the expenditure to \$9,600—A. Yes.

Q. You are aware of the fact that accounts came in to the amount of over \$31,000?—A. I became aware of it afterwards.

Q. When you wrote that memorandum of the 22nd September were you aware how much dredging had been done up to that time?—A. No.

Q. You had no knowledge as to that?—A. No.

Q. In your letter to Mr. Davies asking that an inquiry be made as to how the error in the telegram occurred, you stated (reads):

I trust you will have this matter investigated and find out how the mistake occurred. It was a most material alteration, and a matter of over \$9,000 is involved.

A. Yes.

Q. When you wrote that letter did you mean that had it not been for that telegram that that \$9,000 would not have been expended for dredging at Dalhousie?—A. What I meant was this: that without the authority, or assumed authority, being granted, the Messrs. Loggie would not have proceeded with the work, and as the telegram professed to give authority to dredge to the extent of 9,000 odd dollars, that is what I meant—that amount of money.

Q. That error was responsible for the expenditure of \$9,000?—A. Quite so.

Q. And on the day before, the 22nd September, you had written this memorandum, which I understand you to say meant that the work should be continued for the

whole of the dredging season?—A. I cannot say as to that at present, Mr. Crocket; the memorandum must speak for itself. I wrote it expecting to have the accounts paid for the dredging done up to that time.

Q. Up to that time?—A. Up to that time.

Q. But would you say that you meant it to carry authority for the payment of accounts beyond that time?—A. I cannot say as to that, the memorandum must speak for itself.

Q. I understood you to say in connection with the Dalhousie dredging that you had no personal knowledge as to the place where the dredging would be done at Dalhousie?—A. Except in Dalhousie harbour. As to where it should be done I left it to the engineering branch of the department, so far as I recollect.

Q. I will call your attention to a letter of Mr. Stead to the chief engineer, dated 14th September, 1909, in which he says (reads):

I have received a letter from Dalhousie Lumber Company to-day, saying that the *Hayward* will have dredged the 75 foot strip for the full length to 12 to 13 feet at low water by about the last of September. As the company was aware that Mr. Turgeon was anxious to have the dredge begin at Caraquet this year they asked that the *St. Lawrence* be then allowed to complete the berth to 20 feet at low water, so that they might be able to build their new wharfs, or rather new face, along the old wharfs, and put up by the conveyors this winter, and be ready for shipping from their new mill, which is nearing completion, next spring.

A. Is that 1908?

Q. That was 1908, 14th September, and to that the chief engineer, after acknowledging the letter, states:—

With regard to the work remaining to be done at Dalhousie for the Dalhousie Lumber Company, the matter will have to be brought up before the department, by you later on. Please keep in mind that a dredge must be at Caraquet in the first days of October.

Now, do you see, Doctor, that on this matter on which the chief engineer seems to have some doubt, he says it would have to be brought up before the department later on. Didn't that come to your knowledge?—A. What is the date of that?

Q. 18th September, 1908?—A. Well, was there any further contract dredging at Dalhousie that season?

Q. Contract dredging. The dredging was continued till I think the 6th October, if I remember correctly, and then the dredge *St. Lawrence* was sent in afterwards and worked along the wharf of the Dalhousie Lumber Company?—A. I cannot recall to mind that that was brought to my notice at all. These are largely matters of detail, about which I might or might not be consulted. I do not remember as to whether I was consulted as to whether the dredging should be done at Dalhousie, as what particular part of the harbour the dredging should be done in.

Q. What about this expression, 'The matter will have to be brought up before the department'; what do you understand that to mean?—A. I would assume he would confer with the assistant deputy minister and the deputy minister.

Q. The assistant deputy minister and the deputy minister?—A. I think so, but it is evident that that was towards the close of the season, and he is probably looking forward to the work of the next year.

Q. Well, the request was that the dredge *St. Lawrence* be then ready to complete the berth to 20 feet?—A. Yes.

Q. Would the deputy minister and assistant deputy minister deal with a matter of that kind, as to which the chief engineer had expressed his doubt, without consulting you?—A. They might or might not.

Q. You have no recollection?—A. No recollection of them doing so. I would not regard, from the evidence given here, as to any dredging that has been done. I would not regard that as being done for the Dalhousie Lumber Company.

Q. You see the expression used there?—A. It is an erroneous expression, and the evidence here in regard to that basin, the dredging of the bar, and the approach to the basin, and the dredging above the Dalhousie Lumber Company's wharf, and the dredging around—I would regard that as a public work.

Q. You regard that as a public work?—A. I do, and work that the department is doing all over the country. If you are dredging any harbour you may pass a dozen private wharfs and incidentally improve the navigation, so far as the wharfs are concerned.

Q. Is it usual to carry the dredging down say six feet greater on one side of the entrance than on the other?—A. That is frequently done. If in doing dredging in a harbour there is one wharf where there is a large business going on, where ocean steamers are coming in, you would dredge deeper in and around that wharf than in other wharfs. I can tell you scores of places in Canada.

Q. Where dredging is done in front of private wharfs?—A. Where large business is being done, yes.

Q. Large business?—A. Let me give an illustration: A company as I understand does not own the ships that come. The ships come to get traffic in the harbour. I will give you an illustration. At Midland where there is a big smelting works owned by the Drummonds or the Corporation which they control, my department is applied to for the purpose of dredging into the harbour and dredging in front of their docks. Now they have a great many ore vessels coming to carry away ore from their docks. Now, I intend to do that work because I regard that as public work. While it helps their business operations, it helps the port, because if it was not for that dock ships would not come in.

Q. That is, dredging the channel so that they can get into the wharf?—A. And dredging in front of the wharf. That has been done for years by the department. It depends altogether on the extent of the business as to whether it will be regarded as of a public character or of a private character. Let me give another illustration. For years the department has been dredging the East river. Now the business most largely done in the East river, Nova Scotia, is to enable big ships to get up to the Nova Scotia Steel Company's works, to take away the ore, to take away the manufactured product, to bring coal. You may say it is private work. It is not private work, because it is of such importance that it becomes public.

By Mr. Carvell:

Q. Yes, the same thing is done at the Champeux Lumber Company's wharf at Campbellton?—A. Yes.

Q. And nobody can charge them with being ardent Liberals?—A. The same thing there. Let me give another illustration, Mr. Crocket. We are dredging and have been for years without any protest the Victoria harbour on the shores of Lake Ontario. Now, the land around the harbour is entirely owned by the Canadian Pacific Railway Company.

Mr. CARVELL.—You said Lake Ontario.

Mr. PUGSLEY.—I should have said Georgian bay. They own the elevators, but by giving the accommodation, ships come, ships belonging to different people. You may say that is private work for the Canadian Pacific Railway. It might be argued that way, but we do not so regard it. The same at Tiffin, which is owned by the Grand Trunk.

By Mr. Smyth:

Q. I am glad to know that, because there are saw mills up in my district very anxious to get dredging?—A. You would argue well in favour of it.

Q. Very large ships come there. I have a good argument now —A. And I have no doubt you will avail yourself of the argument.

Mr. KYTE.—A great many applications are in front of yours, Mr. Smyth.

By Mr. Crocket:

Q. With reference to your knowledge of the dredging at Dalhousie—

Mr. D. D. McKENZIE.—The same thing is being done for the Dominion Coal Company and the Dominion Steel Company. These, too, are large concerns.

Mr. PUGSLEY.—Yes. In the city of St. John there is a privately owned wharf. What the government did was to dredge in front of it to accommodate the New York Steamship Company, but they divided the cost there. They made the owners pay the actual wages and gave the use of the dredge. Sometimes we do that. Sometimes we divide the cost. It depends on the extent of the work. Here was a company—and it would be fair to consider the question—exporting 20 million feet of lumber every year. I regard that work of a public nature.

By Mr. Crocket:

Q. With respect to your knowledge of the dredging done at Dalhousie, do you remember being at Dalhousie on the 14th October, 1908, and sending a telegram from Dalhousie to the chief engineer to authorize the Loggies to go to work at Bathurst at the same prices as Caraquet?—A. I remember being at Dalhousie in the fall of 1908. Just what I did—

Q. I think you stated in a statement you made in connection with some other subject that you visited the wharfs and the dredging at that time?—A. I visited the wharfs, I remember.

Q. Well, if you did that you would have some pretty good knowledge, would you not, as to what was going on at Dalhousie?—A. I saw big operations going on. I saw a big mill working.

Q. Did you see a dredge working?—A. I do not recall to mind whether I saw a dredge working or not.

Q. But you remember being there. I think the telegram is dated October 14, 1908?—A. Wasn't that somewhere near the election?—A. Yes, it was. I think you were there in connection with the election campaign?—A. I was in several places, and I held a meeting there.

Q. You said you had no knowledge of whether the dredging was going on, just what was being done in the harbour of Dalhousie?—A. Dredging was being done in the harbour of Dalhousie, that is there were contracts in 1908 for dredging in the harbour of Dalhousie, but what I said was that as to where it should be done I left entirely to the judgment of the engineering branch.

Q. If you were there in 1908 and saw the wharfs, and looked about to see what was being done in the shape of public works, it is likely you would get some idea?—A. I do not recall to mind seeing the dredging. I may have seen it, but I do not recall it to mind.

Witness retired.

Committee adjourned.

EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

DREDGING---DALHOUSIE, BATHURST, CARA- QUET AND LOGGIEVILLE

BATHURST

No. 5—FEBRUARY 15, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1911

MINUTES OF EVIDENCE

COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

WEDNESDAY, February 15, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock, a.m., the Chairman, Mr. Warburton, presiding.

The committee proceeded to the consideration of a payment of \$25,389.25 to Messrs. A. & R. Loggie for dredging at Bathurst, N.B., as set out at page V—248 of the report of the Auditor General for the fiscal year ending March 31, 1910.

Mr. U. VALIQUET, called, sworn and examined.

By Mr. Crocket:

Q. What position do you occupy in the Public Works Department, Mr. Valiquet?

—A. I am one of the engineers in charge of works.

Q. One of the engineers?—A. Yes.

Q. I was under the impression that you held the position of assistant chief engineer. Am I right?—A. No, I am not assistant chief engineer.

Q. Who is the assistant chief engineer?—A. Mr. Dufresne.

Q. He is in Ottawa now, is he?—A. No, sir, he is not in Ottawa now.

Q. He is a resident of Ottawa, is he not?—A. Yes, he is at present a resident of Ottawa.

Q. But now he is absent from the city?—A. Yes, sir.

Q. Have you knowledge then, Mr. Valiquet, of dredging contracts in the province of New Brunswick? Do they pass under your hands?—A. Well, not directly; I have occasion to look at them and sometimes to inspect them.

Q. Well, I will see if I can get from you the evidence that is desired here in connection with the return I have from Mr. Doody. You are aware that dredging was done at Bathurst in the fiscal year ending March 31 last?—A. Yes.

Q. Was that done under tender?—A. I could not say whether it was done under tender or not.

Q. Have you any papers that will show whether it was done under tender or not?

—A. No, I have not.

Q. What file is that you have with you?—A. It is not my file at all.

By Mr. Reid (Grenville):

Q. Whose file is it?—A. I do not know.

By Mr. Crocket:

Q. That is the departmental file?—A. Is that the file?

Q. Yes, that is the departmental file?—A. Oh, I didn't know it at all—I didn't know that was the file.

Q. Is there any other man in the department that will be in a better position to give evidence as to this file than you are?—A. No, there is nobody now—except Mr. Doody. Mr. Doody has studied the subject and perhaps he might.

By Mr. Reid (Grenville):

Q. You do not know anything about the thing at all?—A. I have read the summary of the correspondence here; that is all I know about it.

By Mr. Crocket:

Q. Do you know, as a matter of fact, whether that file covers all the correspondence and papers in connection with the dredging at Bathurst?—A. Yes, I daresay it does; I do not know of anything else.

The CHAIRMAN.—This man does not appear to know anything about it.

Mr. CROCKET.—Yes, but Mr. Lafleur is ill and may be for some time.

By Mr. Reid (Grenville):

Q. What position do you say you hold in the department?—A. I am called the engineer in charge of works department of public works.

Q. Engineer in charge of what?—A. Well, I do not know; I am in charge of one work.

Q. You are in charge of one work?—A. Yes.

Q. What work is that?—A. The Quebec harbour.

Q. Is your position entirely engineer in charge of the Quebec harbour?—A. No, I have to do with mostly all the works in the country.

Q. In what way have you to do with them?—A. In the way of inspection and reports.

Q. Do you make annual tours?—A. Yes.

Q. How often? How many tours a year do you make?—A. I do not visit all the works, but I am called upon to visit special works sometimes in different parts of the country from Cape Breton to Winnipeg.

Q. Then you only do special work, is that it?—A. Yes.

Q. Then you are only a special engineer?—A. Yes.

Q. And if you are engineer in charge how are you a special engineer?—A. That is the title I am given in the Civil Service List, 'Engineer in Charge of Works.'

Q. Is that title given you for the purpose of getting a larger salary?—A. I don't know.

Mr. CARVELL.—You ought not to ask that question, Dr. Reid, I object to that.

Mr. REID.—The reason why I asked that question is that if a man occupies a position in the department that is not the same as that given in the Civil Service List this committee is entitled to know that and there can be no harm in the committee finding it out.

(Discussion followed).

The CHAIRMAN.—This witness does not appear to be able to give evidence of very much use.

The WITNESS.—I may say in regard to my position that I have been acting chief engineer on several occasions—at one time for three months—that might give you some idea of my position in the department.

By Mr. Reid (Grenville):

Q. Have you ever examined this Bathurst work?—A. Never.

Q. You were never there?—A. No.

Q. This wasn't one of the special cases that you have referred to?—A. No.

Mr. CROCKET.—I think we had better call Mr. Doody; perhaps we can get more information from him.

Witness retired.

Mr. THOMAS NEIL DOODY, called, sworn and examined.

By Mr. Crocket:

Q. What position do you hold in the Public Works Department?—A. Chief clerk.

Q. Would you have knowledge of dredging contracts?—A. Well, knowledge of almost everything in the way of any disputed question, anything coming up before parliament, or anything of that kind.

Q. You have prepared copies of returns, the departmental file, have you not, for use in this committee?—A. Yes.

Q. In reference to dredging at Bathurst?—A. Yes.

Q. And you would have knowledge then of all the documents that are on file in the department in reference to that subject?—A. Yes.

Q. You are aware that dredging was done at Bathurst in the last fiscal year?—A. Yes.

Q. In the year ending March 31 last?—A. Yes.

Q. Do you remember at what page in the report of the Auditor General the item is to be found?—A. Page V—248.

Q. Yes. I see in the report of the Auditor General there is an item of \$25,389.25 which is paid to the firm of A. & R. Loggie for dredging at Bathurst, N.B., from May 10 to June 17, and from August 9 to October 30, 1909; ordinary spoil, 61,925 cubic yards at 41 cents; now can you say whether that work was done under tender?—A. I do not think it was. It was an extended agreement that was made in 1908, not even a contract, it was an agreement entered into between the department and A. & R. Loggie to do dredging at Bathurst on the same terms as at Caraquet.

Q. You are quite sure that was not done under tender, or even under contract?—A. No, under an agreement.

Q. I would like you to be quite sure of your statement in that respect; you had better examine the papers and see if there could be any mistake about that.—A. I see here in the synopsis of the file that on the eleventh of August, 1908, the chief engineer instructs District Engineer Stead to make a survey and report, and on the 6th of October Engineer Stead makes his report, and on the same day he reports that the dredge *Hayward* is going into winter quarters at Bathurst, and could work there but not at Caraquet.

Q. For the present just content yourself by looking the papers over and seeing whether you are correct in your statements.

Mr. CARVELL.—The trouble is you would not have the papers here for 1908, would you?

WITNESS.—Yes, I have them.

A. Then on the 14th of October I see where the minister instructs the chief engineer to authorize Engineer Stead to put the *Hayward* at work at the same price as Caraquet, not to exceed \$5,000. That is in 1908.

Q. Just a moment, I want to call your attention to a statement of the minister in the House in reference to this matter because, apparently, his statement entirely conflicts with your evidence. For that reason I would like you to look the papers over and see if there could be any mistake. Mr. Doody, in the last session of parliament I asked the Minister of Public Works in the House, you will find it at page 4799 of 'Hansard,' in reference to the dredging at Bathurst, as follows:—

(Reads):

Mr. CROCKET.—How many cubic yards were taken out?

Mr. PUGSLEY.—Some 72,000.

Mr. CROCKET.—Was that done at the same rate as was fixed under the minister's telegram of the previous year?

Mr. PUGSLEY.—I am satisfied tenders were called for that work; it was let under a contract.

Q. You say that statement is incorrect?—A. I think it is.

Q. That is the statement the minister made in the House is incorrect, and there was no tender and no contract?—A. No.

By Mr. Carvell:

Q. When you say there was no contract you mean no written contract?—A. No written contract, no.

By Mr. Crocket:

Q. And the sum of \$25,389.25 was paid to the firm of A. & R. Loggie for that work?—A. According to the report of the Auditor General.

Q. You have already referred to the telegram which the minister sent from Dalhousie on October 14, 1908, to the chief engineer?—A. Yes.

Q. Have you that telegram there?—A. Yes, I have a copy here, I do not see the original.

Q. A copy will do, if it is a copy.—A. Yes, the copy is all right. Shall I read it?

Q. Yes.—A. (Reads):

DALHOUSIE, N.B., October 14, 1908.

EUGENE D. LAFLEUR, Ottawa.

Kindly authorize Resident Engineer Stead to put dredge *Hayward* at work at Bathurst at same price as Caraquet contract, to be certified fair and reasonable by Stead, work not to exceed five thousand dollars.

(Sgd.) WILLIAM PUGSLEY,

Min. of Pub. Wks.

By Mr. Reid (Grenville):

Q. That was sent from Dalhousie, was it?—A. Yes.

By Mr. Crocket:

Q. To Mr. Lafleur, Chief Engineer, Ottawa?—A. Yes.

Q. And in consequence of that the Loggie firm were authorized to proceed with the work at Bathurst?—A. Yes.

Q. Now do you know how much they were paid for that work in 1908?—A. The same rate as at Caraquet.

Q. No, the whole amount of it?—A. 41 cents—you mean the total amount?

Q. It is in the Auditor General's Report?—A. You mean the total amount?

Q. Yes, a little over \$5,000 the Auditor General's Report says?—A. I do not remember the amount that was paid.

Mr. CARVELL.—\$5,086.46, I think.

By Mr. Crocket:

Q. In 1908. Now, have you a letter of July 28, 1908, from Mr. Turgeon, the member for Gloucester to the minister?—A. Yes.

Q. You might read that letter, please?—A. (Reads):

BATHURST, N.B., July 28, 1908.

HON. WILLIAM PUGSLEY,

Minister of Public Works, Ottawa.

MY DEAR MINISTER,—The MacLean Company, an American firm in which Senator Edwards is interested, have purchased the Summer mill in Bathurst village, and the expensive timber limits connected therewith.

Q. In which Senator Edwards is interested?—A. Yes. (Continues reading):

They are now erecting an immense plant in concrete work of a powerful capacity, and will carry on lumber operations quadrupled in extent to what was carried on in the past. They will require some dredging at a certain point in the harbour without which they could not practically carry on their business, it is asserted. They do not expect the dredging of the harbour in general, which would no doubt be a very expensive work. They only require a couple of bars,

high but short, to be skimmed at the entrance of the channel leading to their booms. They wish to know at once what may be done to relieve their situation. I understand a few thousand dollars would cover the necessary expenditure. Would you kindly have immediate instructions wired to your resident engineer, Mr. Geoffrey Stead, Chatham, to make at once a survey and report on this particular work, so that you may be able to let us know your views at the earliest possible moment.

Believe me, dear, sir,

Very faithfully yours,

(Sgd.) O. TURGEON.

Q. Is there a memorandum from the minister or an instruction of any kind with reference to that communication?—A. You mean an acknowledgement?

Q. Is there a memorandum on your file there to the chief engineer in reference to that?—A. Yes. (Reads):

OTTAWA, August 6, 1908.

Memorandum to Chief Engineer.

Kindly instruct Mr. Resident Engineer Stead, as desired by Mr. Turgeon, M.P., to make survey and report on dredging required in Bathurst harbour, estimated quantity and probable cost, &c. It is a question whether this work should be done at the public expense, but this can be determined after report is received.

(Signed) WILLIAM PUGSLEY.

Q. And instructions were sent to the resident engineer?—A. Yes, inclosing a memorandum from the minister.

Q. Have you got a report or a letter from the resident engineer of October 6?—A. Yes.

Q. You might read that?—A. (Reads):

No. 6567.

Subject, Bathurst Harbour.

October 6, 1908.

SIR,—As requested in your letter No. 4340 of August 11, an examination has been made of the dredging asked for at Bathurst harbour, in front of the Bathurst Lumber Company's property, and I inclose a plan showing the site and extent of the proposed work. The Bathurst Lumber Company are erecting a large mill at a cost of about \$250,000, with a capacity of 150,000 f.b.m. per day. The water in Bathurst harbour is very shallow except in narrow channels, and to reach a channel in front of the mill the company requests that a cut 100 feet wide be made across the flats and old booming ground to give 6 feet at low water ordinary spring tides. The company states that on completion of the dredging they intend to build a wharf along the edge of the cut, from which to load their lumber in barges and schooners. Dredging to give 6 feet at low water would amount to 36,500 cubic yards, barge measurement, which, at 35c. per cubic yard, would cost \$12,775. The company states that a depth of 4 feet at L.W.O.S.T. would be sufficient for this season. This would require dredging to the extent of 26,500 cubic yards. The correspondence inclosed with your letter is returned herewith.

Yours obediently,

(Signed) GEOFFREY STEAD,

Resident Engineer.

E. D. LAFLEUR, Esq.,
Chief Engineer, D.P.W.,
Ottawa.

Q. It is stated in that letter that the company said they intend to erect a wharf along the edge of this cut?—A. Yes.

Q. That the Department of Public Works was making for them?—A. Yes.

Q. That is the Bathurst Lumber Company?—A. Yes.

Q. Mr. Stead, in that report, estimates the dredging at 35 cents a cubic yard, does he not?—A. Yes.

Q. And the minister's telegram instructed the chief engineer to authorize the Loggie firm to dredge at 41 cents a cubic yard?—A. That was arranged afterwards.

Q. Well, did it or did it not?—A. It did afterwards, but there was an arrangement made before that which led up to that telegram, I think, Mr. Crocket.

Q. Does the telegram—you have read the telegram?—A. Yes.

Q. State the same price as Caraquet?—A. Yes.

Q. And the Caraquet price was 41 cents?—A. Yes.

Q. And Mr. Stead's estimate of October 6, eight days before, was at 35 cents a cubic yard?—A. Yes.

Q. While the minister directed the authorization of the Loggie firm to do the work at 41 cents a cubic yard, and you say that \$5,086, I think Mr. Carvell said that was the amount, was paid for that year?—A. So Mr. Carvell said.

Q. Do you know if all that material was cast over, or was it not?—A. I cannot say. Would it not show in the Auditor General's report?

Q. It is in your correspondence. Have you not the correspondence there which shows that all that material was simply cast over?—A. I think the vouchers would show that, Mr. Crocket, better than the correspondence.

Q. Well, I call your attention—perhaps this will remind you of a letter from Frederick Hayter for the Auditor General to the Deputy Minister of Public Works, dated March 25, 1909? (Reads):

SIR,—I beg to acknowledge receipt of your application, No. 1198, for \$5,086.46 in favour of A. & R. Loggie, being for dredging at Bathurst, N.B., October and November, 1908. The work was authorized by a telegram from the chief engineer, stating that the work was to be done at the same price as for Caraquet dredging. The contract price for dredging material other than rock at Caraquet was 41 cents per cubic yard, scow measurement, towed to dumping ground. No price is submitted for material cast over, bucket measurement. The work done by Messrs. Loggie at Bathurst consisted of casting over ordinary material, measured in bucket, and was paid for at the rate of 41 cents per cubic yard. In previous cases where no price was stated for overcasting it was customary for you to allow two-thirds to three-fourths of the price for material towed away in scows, as fair and reasonable to both parties. It might be explained why this plan has not been followed in the present instance.

I am, sir, your obedient servant,

(Signed) FREDERICK HAYTER,

For Auditor General.

Q. You have a copy of that letter?—A. Yes.

Q. So that the Auditor General, or Mr. Hayter for the Auditor General, called attention to the fact that this was cast-over material?—A. Yes.

Q. And that the rule was to allow only two-thirds or three-fourths of the price for material towed away in scows?—A. Yes.

Q. Now, that work, you say, was continued during the last fiscal year?—A. Yes.

Q. On the telegraphic instructions from the department?—A. Yes. That was on June 7, 1909, a telegram from Mr. Lafleur, Chief Engineer, to Geoffrey Stead, District Engineer, Chatham. (Reads):

A. & R. Loggie, have been authorized to proceed with dredging required at Bathurst under same terms and conditions as last year. Expenditure to be limited to nine thousand six hundred dollars.

Q. Is that the telegram that the mistake was made in?—A. No.

Q. That is one to Geoffrey Stead?—A. Geoffrey Stead, yes.

Q. What is the date of that?—A. The 7th of June, 1909.

Q. The 7th of June?—A. Yes.

Q. Now, I want you to look at this return, and you had better look it over carefully so that you cannot be misled, Mr. Doody. That is the dredge *Hayward*, is it not?—A. Yes.

Q. And that is Bathurst?—A. Yes.

Q. Now when did the Loggies begin the work at Bathurst?—A. May 10.

Q. You say they actually began work on May 10?—A. According to the return, yes.

Q. And there was no authorization from the department until what date?—A. June 7 to Geoffrey Stead.

Q. June 7?—A. Yes.

By Mr. Reid (Grenville):

Q. What were the dates?

By Mr. Crocket:

Q. The work began on May 10 and there was no authorization until June 7?—A. No.

Q. Do you know how the inspection was done or if any inspection was done upon it?—A. No, Mr. Stead would be best able to give you that information.

Q. You do not know?—A. No.

Q. Is there anything in that return in reference to the payment of an inspector for Bathurst?—A. No, I haven't anything here to show.

Q. You have nothing there to show. Well, these returns were all signed by the inspector. I do not know when they were signed, but they all bear the signature of A. J. Meahan, inspector. Now, that (handing file to witness) is the return of the Bathurst dredging, is it not, the dredge *Hayward*?—A. Yes.

Q. You see that day there; what day is it, September 30?—A. September 29 and 30, yes.

Q. Well, take September 30 there, that is 12 hours, is it?—A. Yes, 12 hours.

Q. Number of scows filled, 4; total cubic yards dredging?—A. 1,005.

Q. Cubic yards. Now, have you the contract for Dalhousie? The contract stated the capacity of the dredge *Hayward*?—A. I will see if I have it amongst the other papers.

Q. You might just get that—what is the cubic capacity of the dredge *Hayward* owned by A. & R. Loggie stated to be in that contract?—A. From 30 to 75 cubic yards.

Q. From 30 to 75 cubic yards per hour?—A. Per hour, yes.

Q. And you see that the return I called your attention to was for 12 hours in the day and it gives a result of 1,005 cubic yards?—A. Yes.

Q. And if you take the maximum capacity of the dredge as stated in the contract, 75 cubic yards, the contract states that it is from 30 to 75, what would the maximum cubic capacity of that dredge for a 12-hour day be?—A. 900.

Q. So that in that instance the dredge overran the maximum cubic capacity, as stated by the contractors, to the extent of 105 cubic yards?—A. Yes.

Q. For that day, and that was at Bathurst?—A. Yes.

Q. Were you here in the committee the other day when Geoffrey Stead stated that nothing of that kind occurred at Bathurst?—A. I was here when he gave evidence.

Q. Do you remember that statement?—A. No, I don't remember that statement.

Q. But that is what appears there, is it not?—A. By that return.

Q. By that return for the dredge *Hayward*, and for the work at Bathurst?—A. Yes.

Q. Now the telegram to Mr. Stead, authorizing the continuation of the work at Bathurst limited the expenditure, did it not?—A. Yes.

Q. To how much?—A. To \$9,600.

Q. And notwithstanding that it went on until the sum of over \$25,000 was paid to the Loggie firm. Is there any other authority than that telegram authorizing the continuation of that work?—A. No, I don't think there was.

By Mr. Carvell:

Q. You say you don't think there was?—A. No.

By Mr. Crockett:

Q. Now I have already referred, Mr. Doody, to the letter from the Auditor General's office in regard to the dredging at Bathurst?—A. Yes.

Q. Was that sent down to Mr. Stead for report?—A. Yes.

Q. And have you Mr. Stead's letter in reply?—A. Yes, shall I read it?

Q. Yes?—A. (Reads):

Subj. Bathurst, N.B.

CHATHAM, N.B., April 14, 1909.

SIR,—I have received your letter No. 268 of the 8th April inclosing file No. 331398 in which the Auditor General asks for further information in regard to an account for \$5,086.46 in favour of Messrs. A. & R. Loggie for dredging at Bathurst, N.B.

This dredging was done by agreement with Messrs. A. & R. Loggie at the same price as their Caraquet contract, viz.: 41c. per cubic yard scow measurement, and the Auditor General asks why a deduction of $\frac{1}{2}$ to $\frac{1}{4}$ of this price was not made at Bathurst where the material was cast over and not removed in scows.

The intention in this agreement on the part of the contractors was that they should receive 41c. per cubic yard for material removed to the satisfaction of the department however deposited, and I had the same understanding of the agreement. A reduction in price for casting over was not considered in the Caraquet contract, nor in this agreement, nor in the former agreements I have made for dredging at Chatham and Loggieville, where at different times material has been placed directly on top of or behind wharfs without reduction in the price.

The department has not lost in this way, because the prices under the circumstances were fair. You will notice that the price for the Caraquet dredging is lower than those in the great majority of the contracts in this province.

I had difficulty in persuading the contractors to enter into this agreement as the season was so late and on account of the loss of time and expense they had suffered through moving from Dalhousie to Caraquet and Bathurst by order of the department, and because for the previous three months they had been dredging at Dalhousie for 50c. per cubic yard.

The average daily dredging at Dalhousie was 696 cubic yards barge measurement; at Bathurst 460 cubic yards bucket measurement. The daily earnings were $696 \times 50 \text{ cents} = \348.00 at Dalhousie; $460 \times 41 \text{ cents} = \188.60 at Bathurst. The difference \$159.40 is much more than the cost of the tug and two barges required at Dalhousie for removing the material.

At Caraquet no dredging was done, but most probably the Dalhousie average will be equal or exceeded when working with scows and tugs.

At Bathurst the dredging was done on top of flats $1\frac{1}{2}$ to 2 feet out of water at low tide and much time was lost even when casting over. Scows could only have been used for a short time each day, and it was only possible by casting

over to make the desired improvements in the short time available before navigation closed.

File No. 331398 is returned herewith.

Yours obediently,

(Sgd.) GEOFFREY STEAD,
Resident Engineer.

E. D. LAFLEUR, Esq.,
Chief Engineer D.P.W.,
Ottawa.

Q. You observe that Mr. Stead, in that letter, makes the statement that he had difficulty in persuading the contractors to enter into this agreement?—A. Yes.

Q. As the season was very late, and on account of the lost time and expenses they had suffered through moving from Dalhousie to Caraquet and Bathurst?—A. Yes.

Q. By order of the department, and because for the previous three months they had been dredging at Dalhousie for 50 cents per cubic yard?—A. Yes.

Q. Now have you the letter of Mr. Stead of October 6, 1908, to Mr. Lafleur?—A. Yes.

Q. Will you read that, please?—A. (Reads):

SIR,—In regard to the dredging at Bathurst, on which I have just reported, I might say that the dredge *Hayward* is leaving Caraquet to go into winter quarters at Bathurst, as the site of the work at Caraquet is too much exposed for dredging at this season. In Bathurst harbour, however, the dredge might safely work for some time this autumn, if the dredging there is decided on, as the site is sheltered.

Yours obediently,

(Sgd.) GEOFFREY STEAD,
Resident Engineer.

Q. So that although Mr. Stead stated in his letter of April 14, 1909, that he had difficulty in persuading the contractors to enter into his agreement because of the expense they had suffered in moving the dredge from Dalhousie to Caraquet and Bathurst, his letter of October 6 shows that the dredge was already at Bathurst, and was there to lay up for the winter?—A. Yes.

Q. And this Mr. Stead who says in that letter that 41 cents was fair and reasonable for casting over was the same Mr. Stead who had estimated the work as worth 35 cents per cubic yard?—A. Yes.

Q. Are you familiar with the provisions of the Public Works Act?—A. Yes.

Q. Do you know the provisions of this section, 36? (Reads):

Whenever any works are to be executed under the direction of any department of the government, the minister having charge of such department shall invite tenders by public advertisement for the execution of such works, except in cases,—

(a) of pressing emergency in which delay would be injurious to the public interest; or,

(b) in which from the nature of the work it can be more expeditiously and economically executed by the officers and servants of the department; or,

(c) where the estimated cost of the work is less than five thousand dollars, and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders.

Q. You are aware of that provision of the Public Works Act?—A. Yes.

Q. And although this work was authorized under a telegram in 1908 which limited the expenditure to \$5,000, it was continued in the last fiscal year to the extent

of \$25,000 without tenders having been called for and without any written contract having been entered into?—A. Yes.

By Mr. Reid (Grenville):

Q. There was an inspector on this work, I suppose?—A. There must have been; the Auditor General's report, I think, mentions an inspector.

Q. Do you know the man's name?

Mr. CROCKET.—Meahan is the name on the returns.

Mr. CARVELL.—I would just like to call attention to the returns which are made by Chalmers for the first two months, the first three returns are signed by P. G. Chalmers, that is down to August, and then they are signed by A. J. Meahan.

By Mr. Reid (Grenville):

Q. Do you know these gentlemen?—A. No.

Q. You don't know them at all?—A. I do not know them at all.

Q. They are local men, or do you know?—A. They must have been local men.

Q. Have you any idea whether they are engineers?—A. I could not say, they are local men appointed by the resident engineer.

Q. Local men appointed by the resident engineer?—A. Yes.

Q. Mr. Doody, this, as I understood you to say, all this work here at Bathurst, the quantity of dredging work done there, was cast over according to the documents?—A. Well, that would be the first year, in 1908.

Q. Well, now, I see the first dredging at Bathurst was certified as commencing on May 10, 1909. Now, the *Hayward* dredged during that month 5,699 yards and it is marked 'mud and clay'—

Mr. CROCKET.—Not during that month; it is a fortnightly return.

By Mr. Reid (Grenville):

Q. From the 10th of May to the 22nd of May, 5,699 yards, and I see that is marked 'mud and clay,' and it is also written here 'material cast over and placed on side of channel which was done by request of the Bathurst Lumber Company,' and that is signed by P. G. Chalmers, inspector. From May 24 to May 31 I see the return here shows 3,645 yards, and it is marked 'material cast over and placed on side of channel, which was done by request of Bathurst Lumber Company.' This also is signed by Mr. Chalmers as inspector. Then we have in June, from June 1 to June 17, 6,184 yards of material placed as above stated; 'dredge didn't work on the 7th and 8th on account of broken wheel,' and that was cast over also. That was the last casting over. Now, Mr. Doody, can you tell me, do you know, either Mr. Chalmers or Mr. Meahan personally. Well, Mr. Chalmers certified all these?—A. No.

Q. You say he was a local man?—A. I think so; I am not certain.

Q. Is there any letter there on the files to show who recommended him?—A. No.

Q. You haven't any idea how he was appointed?—A. No, I could not say.

Q. Well, now, can you tell me how this man could measure this material if it were simply cast over? How he would certify, for instance, on May 10 he certifies that there was just 100 yards; total number of cubic yards dredged—he certified to that number of cubic yards?—A. Unless they had counted the number of buckets or taken the measurement in situ.

Q. You cannot say?—A. No, Mr. Stead could give you that information.

Q. You can give us no information in regard to that at all?—A. No, that will be for the resident engineer to say.

Q. Do you know the capacity of this dredge *Hayward*?—A. Only from their statements that they sent in their tender; they said the capacity would be from 30 to 75 yards.

Q. From 30 to 75 yards per—A. Per hour.

By Mr. Crocket:

Q. Mr. Doody, do you know if dredging was done at Bathurst last season, last summer after the close of the last fiscal year?—A. I do not think so; I am not sure though. I have nothing here to show there was.

Mr. CROCKET.—I put a motion on the Order Paper of the House, and, if my memory is correct, the answer to that question was that the work had been done by a government dredge. What is the name of that dredge, Mr. Turgeon, do you remember?

Mr. TURGEON.—The *Nereus*.

The WITNESS.—Oh, yes, the *Nereus* worked there; I remember now, but not under contract.

Mr. CROCKET.—I asked the cost of the dredging and the figures which the minister gave show that the dredging was done at between 10 and 11 cents. That is in this same harbour.

Mr. REID (Grenville).—Perhaps Mr. Turgeon could tell us who this Mr. Chalmers is.

Mr. TURGEON.—He is a young man of the place.

Mr. REID.—At Bathurst? Is he an engineer?

Mr. TURGEON.—Not a practical engineer.

Mr. REID (Grenville).—What was he before he was appointed inspector?

Mr. TURGEON.—He has been telegraph operator at Bathurst station and has been employed in doing other jobs. He is a very nice young man. The father and mother are dead and he is the head of the family.

Mr. REID (Grenville).—Did you recommend him for appointment?

Mr. TURGEON.—Yes, I recommended him to Mr. Stead.

Witness discharged.

Mr. CROCKET.—With reference to the Bathurst dredging I would move that the investigation be closed and the evidence printed and reported to the House.

Mr. CARVELL.—Oh, no, Mr. Chairman, not so soon as this.

Mr. CROCKET.—You said there was nothing else to be asked.

Mr. CARVELL.—I have nothing else to ask this witness, but there are other witnesses in Canada.

Mr. CROCKET.—Very well, bring them.

Mr. CARVELL.—Yes, we will bring them. We will take this matter up at some future time, Mr. Chairman.

Committee adjourned.





EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

DREDGING---DALHOUSIE, BATHURST, CARA- QUET AND LOGGIEVILLE

DALHOUSIE

No. 6—FEBRUARY 22, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1911

MINUTES OF EVIDENCE

COMMITTEE ROOM No. 32,

HOUSE OF COMMONS,

WEDNESDAY, February 22, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock a.m., the Chairman, Mr. A. B. Warburton, presiding.

The Committee proceeded to the further consideration of a payment of \$31,362.50 to A. & R. Loggie for dredging at Dalhousie, N.B., V—248, Report of the Auditor General, 1909-10.

Mr. FRANCIS LOGGIE, called, sworn and examined.

By Mr. Carvell:

Q. Where do you reside, Mr. Loggie?—A. Loggieville.

Q. In the province of New Brunswick?—A. New Brunswick.

Q. What is your business?—A. General merchant.

Q. A member of the firm of A. & R. Loggie?—A. Yes.

Q. Do A. & R. Loggie have more than one office or place of business?—A. Where is the head office?

Q. Yes?—A. Loggieville.

Q. That is where you reside?—A. Yes.

Q. Are you about the office?—A. Part of the time.

Q. You are there part of the time and you give attention to business elsewhere part of the time?—A. Yes.

Q. On the first of June, 1909, did your firm receive a telegram from the Department of Public Works with reference to dredging at Dalhousie?—A. Yes, we received a telegram by telephone from the telegraph office.

Q. Did you later receive the document itself?—A. Yes.

Q. By what means did you receive the document?—A. It would come by mail.

Q. Did you not have a telegraph office at Loggieville?—A. No.

Q. Where do your telegrams go to?—A. Chatham.

Q. And they are telephoned by some arrangement you have to your office?—A. To Loggieville, yes.

Q. What is done with the documents themselves?—A. They are mailed to us on the same day or the following day.

(Telegram produced.)

Q. What is the date of this telegram?—A. June first.

Q. Of what year?—A. 1909.

Q. And from whom is it?—A. From Eugene D. Lafleur, Chief Engineer of the Public Works Department.

Q. Just read that telegram, please?—A. (Reads):

From Ottawa, Ont.

June 1, 1909.

To A. & R. Loggie,

L'ville, N.B.

You are authorized to continue dredging at Dalhousie under same contracts as last year expenditure to be limited to nine thousand six hundred dollars.

EUG. D. LAFLEUR,

Chief Eng.*

Mr. CARVELL.—I would like to have this document marked as an exhibit, Mr. Chairman.

Telegram filed as Exhibit No. 1.

By Mr. Carvell:

Q. And that you say is the original document which you received from the Department?—A. That is the original document, sir.

Q. And did you act on the strength of that telegram?—A. I presume we did.

Q. Did you do dredging at Dalhousie that year?—A. Yes.

Q. Did you get any other telegram or letter?—A. I do not recall any.

By Mr. Crocket:

Q. You say that telegram was telephoned from Chatham to your office at Loggieville?—A. Yes.

Q. Did you receive the telephone message yourself?—A. I can't say, I don't know who received it.

Mr. CARVELL.—I might say there is a pencil memorandum on that telegram 'Phoned 325.'

A. It says that was telephones at 3.25 on that day.

By Mr. Crocket:

Q. Did you receive any other telegram from the Public Works Department on the same day?—A. I think we did.

Q. What was that about?—A. I could not tell you, I cannot recollect.

Q. You can't say what it was about?—A. I can't just tell what the other message was; there was another message, I think, but I did not bring it with me.

Q. Do you remember if your firm received any message on the same day authorizing them to continue the dredging at Caraquet?—A. Yes, I think they did.

Q. Aren't you able to say that was the same day?—A. I think not, I think that was the 7th of June, that is my impression.

Q. Well then this was the only message received on the 1st of June?—A. No, there was another message, something about some dredging.

Q. Received on the same day as this message?—A. Received on the same day, yes.

Q. From Mr. Lafleur?—A. Yes.

Q. Well, there is another message, of which we have a copy here, that is dated on the 1st of June, 1909, to Messrs. A. & R. Loggie, Loggieville, N.B.: 'You are authorized to proceed with the dredging at Caraquet at last year's contract prices, expenditure to be limited ten thousand dollars.'

EUGENE D. LAFLEUR,

Chief Engineer.

That is the copy of a message which is furnished us by the employees of the Public Works Department, dated the 1st of June?—A. Yes.

Q. Was that the other message, did you receive that?—A. I think we must have received it, I have forgotten what that message was.

Q. Then I see there was another message on the 2nd of June to A. & R. Loggie, of Loggieville, N.B., 'You are authorized to proceed with dredging at following places at same prices as last year. Expenditure to be limited to amounts mentioned: Caraquet, N.B., ten thousand dollars; Bathurst, N.B., nine thousand six hundred dollars. Eugene D. Lafleur, Chief Engineer,' and you say that before you received that message you had received the other two messages?—A. Yes, we received two messages on the first of June.

Q. The one to continue the dredging at Dalhousie, expenditure to be limited to \$10,000?—A. Yes.

Q. Or \$9,600, the other to continue dredging at Caraquet, the expenditure to be limited to \$10,000?—A. Yes, that is my impression; I am not just positive about the other message.

Q. Did you have any communication with Mr. Stead, the resident engineer of the department with reference to this message of the 1st of June to continue dredging at Dalhousie?—A. I cannot recall any communication; I imagine we would telephone to Mr. Stead just as soon as we got the message giving him the contents of it by telephone—that would be my recollection of it.

Q. Have you any recollection of it?—A. I cannot say positively, but I think that would be the course we would pursue.

Q. That you at once notified Mr. Stead you had received this message?—A. Yes.

Q. And that would be on the 1st of June?—A. I couldn't say positively just what date—I cannot say positively the date we telephoned, but we telephoned.

Q. Who are the other members of your firm?—A. Andrew and Robert Loggie.

Q. Andrew lives at Dalhousie?—A. Yes.

Q. And Robert and you live at Loggieville?—A. Yes.

Q. You say there is no telegraph office at Loggieville?—A. No.

Q. And anything addressed to Loggieville goes to the Chatham office and is sent from there either by mail or telephone?—A. It would be sent by telephone on its receipt and then mailed to us the next or the following day; when they had a bunch of telegrams they would mail them to us.

Q. Did you ask Mr. Stead for any instructions for the work at Dalhousie after receiving this message?—A. I can't tell you that, I assume we did.

Q. Have you no recollection of it?—A. I have no recollection of it personally.

Q. But you have no doubt you did?—A. We must have asked him for instructions, we couldn't proceed without it.

Q. You could not proceed with the work without instructions from Mr. Stead, that would be true, wouldn't it?—A. No.

Q. And you went on with the work at Dalhousie then, do you remember the day when operations began at Dalhousie?—A. No, I don't know what day they started, I wasn't there.

Q. The first weekly, or fortnightly return here is dated July 12; that (exhibiting file) is the inspector's returns of the work for the day of July 12?—A. Yes, I understand.

Q. Well, then, you would have received instructions from Mr. Stead to proceed with the work before that?—A. They must have received instructions at Dalhousie.

Q. Before the 12th of July?—A. They must have, yes, or they would not have been dredging on the 12th of July.

Hon. Mr. PUGSLEY.—Is that report for the period ending the 12th of July?

Mr. CROCKET.—No, beginning—the operations began on the 12th of July.

By Mr. Crocket:

Q. Now, do you know that Mr. Stead arranged for the appointment of an inspector before July 12?—A. No, sir. I don't know anything about that at all.

Q. You know nothing about it?—A. Nothing at all.

Q. Had you any consultation with him in reference to that matter?—A. Not that I can recall, personally.

Q. Did you have any consultation with Mr. Loggie or Mr. Reid in reference to the appointment of an inspector?—A. I had none; no, sir.

Q. You had none?—A. No, sir.

Q. And you are not able to say whether your brother did or not?—A. I am not.

Q. I want to call your attention to a letter which Mr. Stead sent to the engineer of the department on the 2nd of August, 1909:—

CHATHAM, N.B., August 2, 1909.

SIR,—Messrs. A. & R. Loggie, contractors for the dredging at Dalhousie, N.B., have resumed work there under authority from the department, the expenditure being limited to \$10,000. I cannot find anything to this effect in my

correspondence and should be much obliged if you would confirm these instructions in a letter to myself.

Yours obediently,

(Sgd.) GEOFFREY STEAD,

Resident Engineer.

And on the 4th of August this telegram was sent from Ottawa to Mr. Stead:—

Notify Contractors Loggie that there is no appropriation for dredging at Dalhousie and that work is not authorized.

(Sgd.) U. VALIQUET,

For Chief Engineer.

Did Mr. Stead notify you of that instruction?—A. Well, I think he did. We got a copy of that telegram about that time from Mr. Stead, I think.

Q. That there was no appropriation, and that the work was not authorized? You got a copy of that, you say, about that time from Mr. Stead?—A. I think I did.

Q. Did Mr. Stead notify you to cease operations?—A. I cannot recall that. I do not remember.

Q. You do not remember whether he did or not?—A. No.

Q. But you do know that you received that instruction from the department through Mr. Stead, did you say?—A. Did we receive that instruction?

Q. You say you received a copy of that telegram?—A. I say we got a copy of that telegram.

Q. From Mr. Stead?—A. Yes.

Q. Did he hand it to you personally?—A. I cannot tell you that; whether it came by mail or personally I don't remember.

Q. Have you got any letters with you?—A. Letters.

Q. Yes, with reference to this subject?—A. We have this telegram.

Q. The telegram you produce?—A. We have a copy of the telegram you refer to. I have not it here. I have it down at the house.

Q. Did you bring any letters or documents with reference to this subject other than the telegram you produce this morning?—A. I have not got them right here. I think I have them in my grip.

Q. Well, I would like to see all the correspondence on that point?—A. I can get it.

Q. Did you look these letters over that you brought with you?—A. Letters?

Q. You said you brought some letters?—A. I said I brought the copy of the telegram.

Q. I am asking you if you brought any other document than the telegram?—A. Whatever we have in connection with it I have down there. I do not know whether it is letters or telegrams.

Q. I would like to see what you brought?—A. Yes, sir; I will get them if you say so.

Mr. CARVELL.—You might as well have them as not.

By Mr. Crockett:

Q. Without examining them, are you not able to say whether there is anything in the correspondence which you brought relating to this instruction from the department to cease operations?—A. I do not think there is.

Q. You do not think there is?—A. I do not think so.

Mr. PUGSLEY.—He did not say he received an instruction to cease operations. All he says is Mr. Stead handed him a copy of the telegram.

WITNESS.—That is what I said.

By Mr. Crocket:

Q. That there was no appropriation and that the work was not authorized. That is the telegram you refer to?—A. It was a copy of a telegram from I do not remember whom.

Q. And you cannot remember what occurred between you and Mr. Stead in reference to that instruction?—A. No, I do not remember.

Q. Whether he directed you to cease operations or not?—A. I do not remember. I do not think he would take it up with me anyway, would he? He would take it up with Dalhousie.

Q. You would know that?—A. I do not think he would take it up with me, I would imagine. I do not remember anything about that.

Q. Did Mr. Stead communicate with you personally in reference to this?—A. I am not positive about that. I really do not remember exactly just what happened in connection with that proposition.

Q. Did you have any conversation with your brother Robert after being summoned as a witness in reference to this matter?—A. Did I have any conversation?

Q. Yes?—A. Possibly I might have had.

Q. That would be within the last few days before you left?—A. Possibly I might have had.

Q. Did you ask him about this matter?

Mr. CARVELL.—What are you speaking about now, about what matter?

Mr. CROCKET.—The instructions from the department, the authorization in the first place to continue the work, and then the instruction of August 4 that the work was not authorized.

Mr. CARVELL.—You will understand that when this committee adjourned I notified Mr. Loggie, and all I asked him to produce was that one document, that was the telegram in question, so that if Mr. Loggie has not anything else here it is because he was not asked to bring it. I asked him to bring what I thought the committee wanted. He says he has documents down in the hotel, and if you want them I am perfectly willing to have them sent for, but I only asked him to bring that one document.

The CHAIRMAN.—I think that was the understanding.

By Mr. Crocket:

Q. Well, the other correspondence could be sent for without you going down?—A. It could not.

Q. It could not be got without your going down?—A. No.

Q. You know the work went on without interruption, notwithstanding the receipt of that telegram?—A. I know they dredged there.

Q. And it was continued until the end of the season?—A. Evidently.

Q. I think the returns show till November. I think the amount of dredging amounted to upwards of \$30,000. You are aware of that, Mr. Loggie?—A. They dredged to that amount, or something similar to that amount.

Q. That is the amount in the Auditor General's Report?—A. I was not at Dalhousie.

Q. You know that you received over \$30,000 at Dalhousie?—A. I think we did.

Q. Although the telegram as received limited the work to \$9,600; limited the expenditure to \$9,600?—A. That is what this telegram says here.

Q. And you say that is the only authority; I think you told Mr. Carvell that this is the only authority you received?—A. I said that is the only authority I can recall.

Q. By what dredge was this work performed at Dalhousie in 1909?—A. I do not know. I imagine it was performed by the *Reliable*, called at that time.

Q. By the *Reliable*?—A. Yes.

Q. That was formerly called the *Invader*?—A. That was afterwards called the *Invader*.

Q. Afterwards. It was then called the *Reliable*?—A. Yes. Well, we had made an application to the department to call it the *Reliable*.

Q. To the Marine Department?—A. Yes.

Q. To call it the *Reliable*?—A. Yes, and it was afterwards changed to the name of the *Invader*.

Q. What is the capacity of the *Reliable*?—A. We figured it about 300 yards per hour.

By Mr. Carvell:

Q. How much?—A. 300 yards per hour we figure it.

Q. Have you any contract with the department in which the cubic capacity of the *Reliable* is stated?—A. Yes.

Q. Where is that contract?—A. Grand Dune Flats.

Q. That is a contract that was let a few months ago?—A. During 1910.

Q. And you tendered for that work?—A. Yes, sir.

Q. That is on the Miramachi?—A. Miramachi.

Q. You were not the lowest tenderer, were you?—A. I have no means of knowing anything about that, whether we were the lowest tenderer or not. We must have been when we got the contract.

Q. You say you must have been when you got the contract?—A. That is what I said.

Mr. CARVELL.—Would it not be just as well to confine it to the year under discussion?

By Mr. Crocket:

Q. This is only in reference to the capacity of the dredge and the price of the dredge. At what price did you get the dredging at Grand Dune Flats?—A. 11 cents per yard.

Q. That is in the Miramachi river?—A. Miramachi bay.

Q. And that as a result, you say, of tenders called for in the year 1910?—A. Yes, sir.

Q. You had been getting 35 cents for dredging at Loggieville, had you not?—A. Yes.

Q. Now, you have a contract during the present year at 11 or 11½ cents, did you say?—A. 11 cents.

By Mr. Pugsley:

Q. Not at Loggieville, but at Grand Dune Flats?—A. At Grand Dune Flats.

Mr. PUGSLEY.—A different place altogether.

By Mr. Crocket:

Q. Loggieville is on the Miramichi river, isn't it?

Hon. Mr. PUGSLEY.—But it is in a different place.

A. It is on Miramichi river, but it is a different place from the Grand Dune Flats.

Q. What did you pay, Mr. Loggie, for the *Reliable*?—A. I can't tell you positively what the *Reliable* cost.

Q. You say you cannot tell us what the *Reliable* cost?—A. No, sir, but you can get that information from the customs house at Chatham where the bill of sale was filed.

Q. But are you, as a member of the firm, unable to give this committee any idea of the cost of the *Reliable*?—A. We figure now that she cost approximately \$40,000, with the repairs on her.

Q. With repairs on her?—A. Yes.

Q. What did you pay for her?—A. I am not absolutely positive, we bought her in the United States, you know.

Q. What did you pay for her?—A. We bought, I think, two scows with her—we paid—I can't say just exactly what it was, but it seems to me we paid about \$11,000 for the two of them in the States.

Q. \$11,000?—A. In that vicinity.

Q. For what?—A. For the two mud scows and the dredge.

Q. The two mud scows and the dredge?—A. Yes.

Q. I don't understand your saying that you paid \$11,000 for the two of them—for the two scows?—A. And for the dredge.

Q. That is, \$11,000 represents the cost of the dredge and two scows?—A. That is in the States you understand.

Q. And there will be the duty to add to that?—A. And the towage.

Q. And the freight?—A. The towage.

Q. Which would represent the cost to you?—A. At that time.

Q. It was the dredge *Reliable* that did this dredging at Dalhousie last year?—No, sir, it was not.

Q. I thought you said it was?—A. I said in 1909.

Q. Yes, when I say the last year I am referring to the last fiscal year. It was the dredge *Reliable* that did the dredging in 1909 at Dalhousie?—A. Yes.

Q. Which earned you in its first season over \$30,000?—A. According to the quantity of dredging done, yes.

Q. And you say you bought that dredge in the States with two scows for \$11,000?—A. Yes.

Q. What other dredges does your firm own?—A. They own the *Grey Loggie*—that is the dredges the firm of A. & R. Loggie own.

Q. Does the firm of A. & R. Loggie own only the *Reliable* and the *Grey Loggie*?—A. That is all, sir.

Q. What about the *Hayward*?—A. She is only leased from the Eastern Dredging Company.

Q. Your firm control the Eastern Dredging Company?—A. We own stock in it.

Q. The firm of A. & R. Loggie own stock in the company and control it?—A. Well, not exactly the firm of A. & R. Loggie, but Andrew, Robert and myself own stock in it.

Q. And you say these persons own the bulk of the stock in the Eastern Dredging Company?—A. Yes.

Q. What is the capacity of the dredge *Hayward*?—A. We estimate the capacity now at 150 yards per hour.

Q. You estimate it now at 150 yards an hour?—A. Yes.

Q. Have you any contracts with the department in which the capacity of that dredge is stated?—A. Yes.

Q. Which one?—A. I think that will be in 1908.

Q. That will be the contract for dredging at Dalhousie?—A. Yes.

Q. Do you remember what the capacity of the dredge was stated there?—A. I think we figured on her capacity there at that time that it would be approximately from 30 to 75 cubic yards per hour.

Q. Yes?—A. At that time she had not dredged any—at that time when we made that approximate estimate she had not dredged any.

Q. But you stated that in your tender to the department?—A. We estimated it, that was her estimated capacity.

Q. Now, does the government, or the Department of Public Works, take any steps to determine the capacity of dredges before work is undertaken by the contractors by certain dredges?—A. I cannot say that.

Q. You do not know whether the department does that or not?—A. I don't know anything about that at all.

Q. What did the *Hayward* cost you?—A. I cannot tell you that.

Q. When did you buy that dredge?—A. She was built, we built her.

Q. Did the firm build the *Hayward*?—A. She was built by the Eastern Dredging company, built by the firm that owned her. We built the hull and purchased the machinery.

Q. Where was she built, in Chatham?—A. The hull was built at a place called Little Branch.

Q. That is on the Miramichi?—A. It is in the Miramichi.

Q. When was she built?—A. She was built in the winter—it must have been the winter of 1908.

Q. Of 1908?—A. Yes.

Q. So that the Dalhousie work was the first work she performed for the government?—A. No, she performed some work going up there, at Stonehaven.

Q. Yes, just a small contract?—A. A small contract.

Q. Can you give the committee some idea of the cost of the *Hayward*?—A. No, sir, I don't know. I can't say what the cost was—I don't know what the cost was.

Q. Has the firm any records or entries that will show?—A. I think that we estimated her—I am not exactly positive, but it seems to me about \$16,000 or \$18,000 or \$20,000—between \$15,000 and \$20,000; that is my impression now.

Q. Is that the original cost?—A. That is the original cost without any repairs.

Q. And the *Hayward* performed work at Bathurst in the summer of 1909?—A. Yes, I believe she did.

Q. To the amount, so that Auditor General's Report shows, of over \$25,000?—A. Yes—I am not sure as to the amount.

Q. That is what the Auditor General's Report shows, \$24,000, and work in 1908 at Bathurst to the amount of \$5,086?—A. I can't say as to the amount.

Q. These are the figures that are given in the Auditor General's Report, V—248. Now, I have these figures as earned by the dredge *Hayward* for the year 1909: Dredge *Hayward* at Caraquet, N.B., June 19 to August 3, 1909, ordinary spoil, 32,104 cubic yards at 41 cents, \$13,162.64; dredge *Hayward*, dredging at Bathurst, May 10—June 17, August 9—October 30, 1909, ordinary spoil, 61,925 cubic yards at 41 cents, \$25,339.25. That is for the year 1909, so that would be a total that year in these two places of over \$38,000 earned in a single season by the dredge *Hayward*?—A. I can't say what the earnings were, I don't know, you have it right there.

Q. You know that she did perform the work at Bathurst and at Caraquet?—A. I know that she dredged at those two points.

Q. Now, what about the dredge *Grey Loggie*? When did the firm build the *Grey Loggie* and equip her, or did the firm buy the dredge *Grey Loggie*?—A. No, sir, we built the *Grey Loggie*.

Q. What is the capacity of the *Grey Loggie*?—A. I think she will have about the same capacity as the *Hayward*; she ought to have.

Q. The same capacity as the *Hayward*?—A. Yes, she is the same kind of dredge.

Q. The same kind of dredge?—A. The same machinery.

Q. She is an old schooner, built over, isn't she; a wooden boat?—A. She is not an old schooner—she was a schooner, but not an old schooner, I don't think; we built her, that is, simply her hull.

Q. Is not that a picture of the *Grey Loggie* (photograph handed to witness)?—A. That looks like it.

A. That is just a wooden boat fitted out with machinery?—A. It is a schooner's hull rebuilt into a dredge, and we built this hull some years ago.

Q. When did you build that?—A. I cannot say.

Q. When did you equip her as a dredge?—A. Oh, well now, let's see about that—I can't tell you—she has got exactly the same outfit as the *Hayward*, that is as far as the machinery and boiler goes.

Q. What did it cost the firm, the *Grey Loggie*?—A. I haven't got this thing in my head.

Q. You are not able to give the committee any idea as to the cost?—A. No, I can't tell you as to the cost.

Q. Did she cost as much as the *Hayward*?—A. Well, she would not cost very much from it.

Q. Would it be more or less than the *Hayward*?—A. I should think about the same as the *Hayward*.

Q. Now, these three dredges have been dredging during the last three years for the government at different places, haven't they?—A. No, they have not.

Q. They have not?—A. Two of them have, but one of them has not for the last three years.

Q. Which one has not?—A. That *Invader* or *Reliable* has not been dredging for the last three years.

Q. No, I was mistaken about that because you say that the *Reliable* dredged at Dalhousie in 1909?—A. Yes, two years; she did not take three years.

Q. That is since you acquired her?—A. Yes.

Q. And the other two have been dredging for the government since you built them?—A. Yes.

Q. How many men were employed on the *Invader* or the *Reliable* on the work at Dalhousie?—A. I cannot tell you that, I was not at Dalhousie and I can't tell you what men were employed.

Q. Can you give the committee any idea as to the number of men?—A. No, I do not know what men were on her.

Q. Would there be five or six men or ten or twenty men? Have you no idea?—A. I have some idea, probably—I don't know, I think there will be ten or twelve men or perhaps more—I don't know what men were on her.

Q. You say you have no knowledge?—A. I have no knowledge. I have never seen her work at Dalhousie.

Q. Hasn't the firm any pay-roll?—A. What do you mean by pay-roll?

Q. Pay roll of the wages of men employed on the different dredges?—A. Yes, the time sheets show it—the time books.

Q. Have you never seen the pay-rolls or time books?—A. While she was dredging at Dalhousie?

Q. Yes?—A. No, sir, and I never did; I haven't been at Dalhousie while she was working there.

Q. Have you ever seen the pay-roll or time book for the dredge *Hayward* for work performed by the *Hayward*?—A. Yes, I think I have.

Q. How many men were employed on the *Hayward* in the season of 1909?—A. I should judge anywhere from ten to twenty men.

Q. That is the nearest you can come to it, is it?—A. Yes, the nearest I can come to it.

Q. Do you know how many men were employed on the dredge *Grey Loggie* in the work at Loggieville?—A. Loggieville?

Q. Yes, didn't the *Grey Loggie* perform work at Loggieville in 1909?—A. Yes.

Q. You would have some idea of that, that is where you live?—A. I live at Loggieville, yes, sir; that is my home.

Q. How many men were employed on that dredge, the *Grey Loggie*, at Loggieville in 1909?—A. I should say approximately ten or twelve men, I should think.

Q. Ten or twelve men?—A. Yes.

Q. That would be the entire crew employed in connection with the dredging operations by the dredge, ten or twelve?—A. Well, there is the tug boat you know in connection with the plant; I think there are two men on the scow, two or three men on the dump scow; two men I think it is.

Q. Two men on the dump scow and what about the tug boat? Do you know about the tug boat?—A. Yes.

Q. How many men are there on the tug boat?—A. Well, there will probably be six or eight men.

Q. And there will be ten or twelve men in addition on the dredge?—A. That is approximately, you know.

Q. Wouldn't you have the names of the men employed on the *Grey Loggie*?—A. The names are down at Loggieville, I haven't them here.

Q. You would know the names of those on the *Grey Loggie*?—A. No, sir.

Q. Who was the captain of the dredge in 1909?—A. Just let me recall that—I think his name was Simpson in 1909.

Q. Now, the dredge *Grey Loggie* performed some work in Campbellton in the season of 1909, did it not?—A. I believe she did.

Q. For the government?—A. I believe so.

Q. After she ceased operations at Loggieville?—A. It must have been.

Q. Do you know who the inspector of operations was at Campbellton?—A. No, sir, I do not. I never saw her dig at Campbellton; in fact, I don't think I was at home at all while she was at Campbellton. I was in the west at that time.

Q. 'Quinn, John, services on *Grey Loggie*, October, 21 d. at \$2.50, \$52.50.' Do you know John Quinn?—A. No, sir, I do not know John Quinn.

Q. You do not know him?—A. No, I never met John Quinn in my life.

Q. Do you carry on business in Campbellton?—A. I think not, I don't think so, that is operated from Dalhousie.

Q. Have you no knowledge of the Dalhousie business?—A. No, sir, none whatever.

Q. Are you not aware that Quinn is an employee of the firm of A. & R. Loggie?—A. An employee?

Q. Yes?—A. I would not swear that he was, and I would not swear that he was not, but I think he has been in their employ—I am not positive about that.

Q. You say you would not swear that he is or that he is not?—A. No, I would not swear anything about Quinn because I do not know anything about him, I never met him.

Q. But you have no knowledge of the Dalhousie business?—A. No, sir, that is operated from Dalhousie.

Q. That would be Andrew?—A. Andrew.

Q. There are no accounts of the Dalhousie business kept at Loggieville?—A. No, no accounts like that; just simply—

Q. The two businesses are conducted separate?—A. Yes, except the charges between the two houses—there are private charges for the business as a whole.

By Mr. Reid (Grenville):

Q. Mr. Loggie, you say that it was at Loggieville you received this first telegram to go on with this work?—A. Which telegram? This June one?

Q. Yes?—A. We received it over the phone from Chatham.

Q. How far is Chatham from Loggieville?—A. About five miles.

Q. And you say you received a copy of this telegram from Mr. Valiquet on August 4; you also received a copy of that from Mr. Stead?—A. We have a copy of that from Mr. Stead.

Q. Did he deliver that in person or did he write you?—A. I cannot tell. I cannot recall that.

Q. Here is something that may recall it to your memory. Mr. Stead wrote a letter to Mr. Lafleur on 14th August in which he says, (reads): 'I enclose an account for \$5,043 in favour of Messrs. A. & R. Loggie, of Loggieville, N.B., for dredging at Dalhousie, N.B., during the month of July, the material removed being 10,086 cubic yards of stiff clay. This work was done by the authority of the telegram of which a copy is attached. I received your telegram of the 4th saying that this work was not authorized, late that evening, and handed Messrs. Loggie a copy of this telegram on the 5th inst.' Signed, Geoffrey Stead. Now, Mr. Stead says he handed that person-

ally?—A. Well, he might have. I know we have that copy and it is written across the bottom of the telegram, 'Handed' or 'Delivered,' I do not remember now, something about handed to A. & R. Loggie on August 5. I think I have that original copy in my grip.

Q. In your grip here?—A. Yes, sir, that will speak for itself.

Q. If it is stated on that telegram that it was handed to A. & R. Loggie would you be the member of the firm it would be handed to?—A. It might and it might not.

Q. You have a brother?—A. Yes.

Q. It might have been handed to your brother?—A. Yes.

Q. If it were handed to one or other of you, the two of you would discuss it as to what action you should take?—A. We might have discussed it, very likely we would.

Q. Well, did you or did you not?—A. Very likely we would. That would be a likely course I should think.

Q. There is no doubt it was discussed?—A. We must have said something about it.

Q. As to what action should be taken. Well, now, have you any recollection of discussing with Mr. Stead at that time anything in connection with the telegram, as to what should be done?—A. No, I have not. I do not remember.

Q. Did Mr. Stead visit your firm at Loggieville or Dalhousie, or discuss with you after August 4 as to your going on with this work?—A. I do not know anything about what he did at Dalhousie.

Q. Well, with you at Loggieville, did he ever discuss with you this work after August 4?—A. I cannot recall it.

Q. You cannot recall?—A. I cannot recall it. He may have.

Q. Surely you can give us a more definite answer than that. Will you swear he did not?—A. I will not swear he did not, I will not swear he did not because I do not remember.

Q. You do not remember?—A. No, sir, I do not.

Q. This telegram states that you were authorized to go on with this work to the extent of \$9,600?—A. That is what the telegram says.

Q. And according to the records you did \$30,000 worth of work?—A. Possibly.

Q. At least about that amount?—A. Possibly.

Q. You exceeded the authority given; well, you did about three times as much as you were authorized?—A. Things would look like that on the face of it.

Q. Well, at all events, you will admit that you did two or three times more than you were authorized?—A. No, I won't admit that, because if we had not been authorized we would not have kept digging, we would have quit.

Q. Then what other authority did you receive other than the telegram?—A. I cannot say that.

Q. Did you come to Ottawa and discuss it with any officials after you received the first telegram in June?—A. No, sir.

Q. Or any member of the firm?—A. No, sir.

Q. Did you meet any officials or any member of the Public Works Department or of the government at any place in New Brunswick and discuss going ahead with it?—A. No, sir.

Q. Do you know if any members of the firm did?—A. I do not know.

Q. Did they discuss it with you as to having seen any person in connection with the continuing of that work?—A. Not that I can remember of.

Q. You will not swear it was not discussed?—A. I will swear that they did not discuss it with me.

Q. Or with members of the firm?—A. Yes.

Q. Now you say you would not have gone on with this work exceeding \$9,600 unless you had got some other authority?—A. I say there must have been an inspector on the dredge. There must have been something to keep the dredge working. I do not know anything about that.

Q. You swear you would not have gone on with the work——?—A. I swear I was not at Dalhousie.

Q. I ask you the question as a member of the firm, you say you would not have exceeded \$9,600 unless you had authority from some person that you supposed in connection with the Public Works Department?—A. I am not quite clear as to what you mean there.

Q. Perhaps I cannot explain it like some of these legal gentlemen, but what I am trying to ask you is this: You were authorized to do \$9,600 worth of work. When you had completed \$9,600 worth of work, I want to ask you if you would have stopped the work then unless you had authority from some employee or official or someone connected with the Department of Public Works, whom you supposed had authority to tell you to continue with the work?—A. We would have stopped if any one had stopped us.

Q. If any one had stopped you?—A. So long as an inspector was on the dredge we would have kept on dredging, we would have no right to stop.

Q. You were only authorized to do \$9,600 worth of work. Now how did you expect to get paid for any work you did if you had no authority?—A. We had a contract to do certain work at Dalhousie and we would keep on digging to complete that contract.

Q. Do I understand the contract was for \$9,600 worth of work?—A. The contract? No, sir, it was not.

Q. What was your contract?—A. I do not know. It is here.

Q. Let us see the telegram, that is the contract?—A. No, that is not the contract. Is there not a contract here?

Mr. CARVELL.—There is one here, a regular contract.

Mr. CROCKET.—That is the 1908 contract.

Mr. REID.—The contract says at the end——

Mr. PUGSLEY.—What the witness says is he had the contract before.

By Mr. Reid:

Q. You are authorized to continue at Dalhousie under the same terms as last year?—A. Yes.

Q. The expenditure to be limited to \$9,600. Now what I understand by that, and I would like to know if you understand the same, is that when you had done \$9,600 worth of work you would stop?—A. I did not understand that, and I do not think any member of the firm would understand it in that way. We did not take it that way.

Q. How did you take it? Did you understand that when you had done \$9,600 worth of work without any further contract, you were to be allowed to go to the end of the season?—A. We understood that if we were to be stopped after doing \$9,600 worth of work we would stop then.

Q. And if you were not stopped then what then?—A. We would go on with the work.

Q. For the season?—A. Yes.

Q. Without any authority from the government?—A. There was an inspector on the dredge, Mr. Stead the District Engineer, must have been looking after that end of it. We were not looking after that end of it, we were looking after getting the mud out.

Q. Your attention was called on August 4 that there had not been any authority given for this work, and you were notified then, as I understand, to stop?

By Mr. Carvell:

Q. No, that there was no authority?—A. Simply a copy of the telegram.

Mr. CROCKET.—Mr. Stead was not able to say whether he ordered him to stop or not.

By Mr. Reid:

Q. At all events you were officially notified that there was no appropriation. Read this telegram. This is from the department here. (Reads):

'Notify Contractors Loggie that there is no appropriation for dredging at Dalhousie, and that work is not authorized.'

By Mr. Carvell:

Q. And they had a telegram before that telling them to go on?—A. Certainly.

By Mr. Reid (Grenville):

Q. And afterwards they were notified to stop the work——

Hon. Mr. PUGSLEY.—So far as the evidence goes there is nothing to show that they were ordered to stop the work—suppose, Mr. Reid, a man took a contract to build a post office, he entered into his contract and then he was informed there was no appropriation this year; would he not be authorized to go on and finish his contract and wait for his appropriation.

Mr. REID (Grenville).—The Minister may be right in that.

Hon. Mr. PUGSLEY.—And that telegram had authorized them to go on with their contract of last year—that telegram which he assumed was a genuine telegram, authorized him to go on with the contract of last year, but he would have to take the risk of getting his money when the appropriation was made. I am now assuming of course, that he believed the telegram was a *bona fide* genuine telegram.

Mr. REID (Grenville).—Now then we will get this on the record. As I understand it, and as the minister confirms me, if the telegram was *bona fide* and the firm of dredging people were authorized to go on and do the work to a certain amount, say, \$9,600, and if they had done that by the middle of the season, they can go on without any further authority and work until the end of the season under their contract——

Hon. Mr. PUGSLEY.—Supposing the inspector is continued, supposing the inspector is not withdrawn, you must always put that proviso in, because the inspector is the government official who is depended upon to see that the returns are properly made.

Mr. CROCKET.—Is he not subject to the directions of the Chief Engineer?

Hon. Mr. PUGSLEY.—It would be his duty to withdraw if directed so to do by the engineer.

Mr. CROCKET.—This telegram instructed the engineer to notify the contractors that there was no appropriation, and the work was not authorized.

Hon. Mr. PUGSLEY.—Was there any telegram to withdraw the inspector from the work?

Mr. CROCKET.—There was no specific telegram to withdraw the inspector.

By Mr. Pardee:

Q. Was there any telegram authorizing the withdrawal of the work in any way?

Mr. CROCKET.—There is no specific instruction there, merely a general instruction that the work was not authorized at all.

Hon. Mr. PUGSLEY.—At all events you found out anyway that the resident engineer did not withdraw the inspector.

Mr. CARVELL.—And you have the minister's memo. authorizing the payment.

By Mr. Crocket.

Q. You say you did the work in consequence of this telegram of June 1?—A. I say that we started to do it.

Q. And on the 4th of August you knew, did you not, that there was a mistake?—We knew?

Q. Yes?—A. Why should we know?

Q. That 'Dalhousie' was erroneously substituted in that telegram for 'Bathurst'?—A. No, sir, we didn't know that.

Q. You didn't know that?—A. We did not know that.

Q. When did you first learn that there was a mistake in this telegram and that the word 'Dalhousie' was erroneously inserted instead of the word 'Bathurst'?—A. I can't tell you that, I can't tell you exactly what time we learned it.

Q. Did Mr. Stead never inform you that he had received a letter from Mr. Valiquet saying that no such telegram as you had received was sent from the department?—A. A letter?

Q. Yes?—A. Not that I remember—I don't remember anything about a letter.

Q. He never informed you to that effect?—A. He was speaking about a telegram.

Q. You say you had no information during that season from Mr. Stead that there was a mistake about the telegram?—A. No, sir, I don't say that. I said I couldn't recall what Mr. Stead said in regard to that or when.

Q. You can't say that?—A. No, sir, no further than that telegram.

Q. You did, however, receive that information during that season?—A. We received a copy of a telegram that Mr. Stead said he had received from Mr. Valiquet.

Q. And you knew then, did you not, when the statement was given to you in that telegram that the work was not authorized, that there was some mistake in the telegram?—A. We knew?

Q. Yes?—A. No, sir, we didn't know that.

Q. You had a telegram authorizing the work?—A. We had the genuine telegram right there saying 'Dalhousie.'

Q. And you had Mr. Valiquet's telegram stating that it was not authorized?—A. That is what the telegram said, that copy.

Q. And did not that put you on your inquiry?—A. No, sir—as to what?

Q. As to this conflict between the telegram you received and the telegram Mr. Stead received?—A. I can't remember what inquiry was made, I do not know.

Q. Do you say that you did not learn before the 20th of August that in that telegram—that the word 'Dalhousie' was inserted in mistake for the word 'Bathurst'?—A. That we didn't what?

Q. That you did not know before the 20th of August that the word 'Dalhousie' was inserted in this telegram in mistake for the word 'Bathurst'?—A. I think, Mr. Crocket, that there must have been something along these lines, but we didn't know there was a mistake. I think we must have started an inquiry to find if there was a mistake, evidently; but we didn't know there was a mistake.

Q. Now, Mr. Loggie, you haven't any doubt at all, upon the receipt of that telegram of August 4 and this communication to you of Mr. Stead that the work was not authorized, that this matter was discussed, and that you learned within a week that that was a mistaken telegram?—A. We had that telegram which spoke for itself.

Q. Will you swear that you did not know within a week after the receipt of the telegram of the 4th of August that this telegram of June 1 was a mistake?—A. That we did not—I don't just catch that, Mr. Crocket.

Q. Will you swear that you did not know within a week of the 4th of August, the date of Mr. Valiquet's telegraph message to Mr. Stead, the telegram that was communicated to you—will you swear you did not know within a week of that date that this telegram of June 1, under which you say you did the work was a mistake?—A. That it was a mistake.

Q. Yes?—A. That we did not know between the 4th of August—

Mr. CARVELL.—Within a week of the 4th of August.

By Mr. Crocket:

Q. Within a week of the 4th of August that this telegram was a mistake?—A. We must have had some notice of it, that telegram from Mr. Valiquet called attention to that.

Q. That there was a mistake?—A. That there must have been a mistake some place.

Q. And notwithstanding that you continued to do the work until the end of the season?—A. We continued to do the work under the government inspector on the dredge.

Q. That is the only explanation you have, that he was the government inspector?—A. I never met him, but it is reported to be the case.

Q. Mr. Allain, was it not?—A. I think that is his name.

Q. And he was under the direction of the district engineer Stead who received this communication from the department?—A. I presume he was under Mr. Stead—I presume he was.

Q. Now, with regard to the work at Bathurst, the record shows, it is in evidence, that you received no authority to continue that work, I think, until the 7th of July—that is when you were authorized to continue the work at Bathurst. This return here (producing file) shows, does it not, Mr. Loggie, that the work had then been in progress since the 10th of May?—A. I don't know anything about that, the captain of the dredge looked after that.

Q. But your firm had no authorization to proceed with the work at Bathurst until the 7th of June—

Mr. CARVELL.—Are you asking that as a question?

Mr. CROCKET.—I am putting it in that interrogative form.

By Mr. Crocket:

Q. Your firm had no authorization to do it until the 7th of June?—A. There must have been some authority or she wouldn't have been dredging there.

Q. Do you know if there was any authority?—A. I do not know what authority they had.

Q. Well, the return shows that there was no authority until the 7th of June, that is the telegram which has already been read.

Hon. Mr. PUGSLEY.—Pardon me, I haven't followed that. Does the return show there was an inspector on in May?

Mr. CROCKET.—That they were under inspection, it is certified by the inspector, yes, but there was no authorization until the telegram which has already been quoted this morning, of the 7th of June, and the work had been going on since the 10th of May.

By Mr. Crocket:

Q. Now, Mr. Loggie, can you give the committee an idea of the daily profit of your dredging operations?—A. No, sir, I could not, I haven't got that.

Q. You have no idea how much it is?—A. No, I have not.

Q. The contract at Dalhousie gave you 50 cents per cubic yard, did it not?—A. The contract called for 50 cents per cubic yard.

Q. Well, here are the returns of the work at Dalhousie by the dredge *Reliable* from which you will see there are days there in which the dredge got 1,250 cubic yards, 1,180 cubic yards, 1,026, 1,122 and 1,150 cubic yards; those are the results of individual day's operations during that week; you have over \$550 a day in all of those cases. I have mentioned at 50 cents per cubic yard, would it not be?—A. I do not know how many yards it was, but it was 50 cents a cubic yard.

Q. And 1,250 cubic yards would be \$625 a day. Now as a member of the firm you say you cannot give the committee any idea as to the cost of the operation of this dredge?—A. No, sir, I cannot.

Q. Do you know the government dredge *International*? Are you aware of the fact that the Minister of Public Works stated in the House that \$90 a day covered the wages of the crew, the expenses in connection with the dredge as well as the interest upon the investment?—A. I am not aware of that fact, I never heard of it.

Q. Of the dredge *International*, of which he said the cubic capacity was about 700 cubic yards per day dredging to a depth of 48 feet. Well, I call your attention then to page 4780 of 'Hansard' of last session in which there was a discussion as to the operations of the government dredge *International* at Quebec, and this was the Minister's statement: he had stated that the dredge had been loaned to a contracting firm for \$200 a day and that there was a net profit to the government of \$110 a day in that arrangement:—(Reads)—

Mr. CROCKET.—Does the \$90 a day cover the wages of the crew and the expenses in connection with the dredging as well as interest upon the investment?

Mr. PUGSLEY.—\$91 covers the wages, the coal, the interest on the expenditure and a reasonable amount for wear and tear.

That was the Minister's estimate of the cost of operating the government dredge which was dredging to a depth of 48 feet, \$91 per day.

Hon. Mr. PUGSLEY.—As you were quoting from me perhaps it is only fair to state to the witness that does not include what might be called extraordinary repairs and expenses for towing about, &c.

By Mr. Crocket:

Q. Well, I can only give the statement as the Minister made it in the House and this firm of A. & R. Loggie was getting, with this dredge which you say you got in the United States for \$11,000—

Mr. CARVELL.—And which you say cost \$40,000 when completed.

By Mr. Crocket:

Q. Your firm was getting all the way from \$550 to \$600 per day.—A. I know nothing about this *International* at all, sir.

By Mr. Reid (Grenville):

Q. You say that you proceeded with this work simply because the inspector continued to stay on the dredge and to measure the work. Do I understand that is the reason you continued the work at Dalhousie?—A. Unless we were stopped dredging.

Q. Unless?—A. Unless the district engineer or the inspector would stop us from dredging we would continue dredging so long as we had the contract.

Q. Up till the end of the season?—A. Yes, so long as we had the contract.

Q. And I suppose if you continued to the end of the season that when the season opened again in the spring you would resume?—A. If we were authorized to start in again next spring we would go ahead again.

Q. You would start on the inspector telling you he was ready to go to work, that would be authority?—A. I would not say that, on account of the inspector's authority.

Q. But you only stopped up on account of the winter, in the fall, I suppose?—A. I didn't say that.

Q. Why didn't you proceed with the work later on in the season?—A. We must have been stopped, I don't know how we were stopped.

Q. You were stopped on account of the winter?—A. No, I wasn't there when she quit and therefore I cannot tell you when she stopped, I wasn't at Dalhousie during the season; and I wasn't there when she stopped.

Q. About the end of the season?—A. I wasn't at Dalhousie.

Q. When you started work at these other places, at Bathurst and the other place you hadn't any authority except the inspector's to go on?—A. I can't tell you what the authority was, there must have been some authority, or we would not have been started.

Q. You are a member of the firm so you must have discussed it with your brother or other members of the firm?—A. I don't know anything about that.

Q. To me it seems very strange that as a member of the firm you do not seem to have discussed it all, and do not know anything about it. I think we are entitled to an answer to that question?—A. What is the question?

Q. The question is that if you had any other instructions we should have them here before the committee; you say you do not know anything about it?—A. I said I was not at Dalhousie when the dredge was dredging there, I haven't been there for years, but there must have been. I don't know, my brother at Dalhousie may have had instructions; I do not know.

Q. You do not remember whether you discussed it with him or not?—A. I do not remember.

By Mr. Carvell:

Q. Did you go over that return which Mr. Crocket handed you to see whether on all the days in the summer of 1909 the dredge was dredging from 1,100 to 1,200 yards?—A. I did not look at any return except what Mr. Crocket showed me.

Q. Did you look over the returns?—A. No, only just what Mr. Crocket showed me, one sheet of the returns.

Q. We will just pass this return over to you so that you can look at some of the other days.

Mr. CROCKET.—1,250 yards is the biggest day.

Hon. Mr. PUGSLEY.—What is the lowest record, and how many days was the dredge working, I would like to have that information.

By Mr. Carvell:

Q. Go over the returns at Dalhousie, Mr. Loggie. (Returns handed to witness.)?—A. Here is one, 817 cubic yards.

Mr. CARVELL.—Here is one, 1,265.

A. Here is the *Reliable* at Dalhousie, 400, 405.

Q. That is in 1909, in the month of July?—A. Yes.

Q. Now turn over, what do you find there?—A. There is 444, 386, 441, 441,—

Q. And here is a day on which there is how much dredged?—A. That is a blank.

Q. Nothing at all that day, and so on. You did not earn \$600 every day during the summer?—A. (Reading): Here is 293, 287, 357, 374, 769.

By Mr. Crocket:

Q. Are you giving now dollars or cubic yards?—A. Yards. I do not know whether this shows the skipping in the days that she did not dredge.

By Mr. Pugsley:

Q. In an ordinary dredging operation are there days in the season when the dredge does not work?—A. I believe there is, yes, sir.

Q. And are there any costs other than the payment of labour and the interest on dredge and plant?—A. There are lots of costs. It is an expensive plant to keep up.

Q. What expenses would be incurred particularly?—A. Well, during the winter they have got to be all fixed up, a lot of money spent on them you know.

Q. Each winter?—A. Yes.

Q. Has that been your experience?—A. Yes.

Q. Every year?—A. Yes.

Q. You told Mr. Crocket that when you supplied a tender to the government in 1908 for the dredge *Hayward* you made an estimate of her capacity?—A. Yes.

Q. From 30 to 75 cubic yards?—A. I made an approximate estimate at that time I remember.

Q. Had you ever dredged a yard of material with the dredge *Hayward* at the time you made that estimate?—A. No.

Q. You had not?—A. No.

Q. What did you find to be the capacity after you put the dredge at work?—A. I cannot tell you that, I was not on the dredge, you know.

Q. Do you know whether you changed the bucket or dipper—that is what you call it, I think, the dipper. Did you change that in the year 1909?—A. I think in the winter of, let me see—in the winter of 1909 we put in a condenser in the dredge, a circulating pump, and some other kind of pump. I do not know what repairs were all put in. We increased her capacity.

Q. And did you increase the size of the dipper?—A. During the following summer we got a new style of dipper; I think it was 50% larger.

By Mr. Crocket:

Q. Was that on the *Hayward* or the *Reliable*?—A. *Hayward*.

By Mr. Carvell:

Q. You are speaking of the *Hayward*?—A. Yes.

By Mr. Pugsley:

Q. And the *Hayward* worked where in 1909?—A. At Caraquet.

Q. And Bathurst as well?—A. Yes, in 1909.

Q. You say in the summer of 1909 you put a dipper in which increased the capacity 50%, in addition to other improvements?—A. That is the size of the dipper, if we had water measure. The mud piles up, you know, and I think, as I remember it now, it was about 50% more, a clam-shell, in addition to what they call an orange-peel bucket.

Q. My friend also asked you something about dredging at Grand Dune Flats, which you state you are now doing for 11 cents? Is that small quantity or large quantity dredging?—A. It is a large quantity.

Q. How much?—A. I think it is a million yards.

Q. A million yards?—A. I think so.

Q. And were you confined to one year, or have you a number of years to do the work?—A. A number of years I think, more than one year anyway.

Mr. PUGSLEY.—That is all.

By Mr. Crocket:

Q. That will be a \$11,000 contract you will have got?—A. Yes.

Q. The work at Dalhousie you carried on for three seasons, have you not?—A. Yes, I believe so.

Q. You have received for work at Dalhousie now in the neighbourhood of \$100,000, have you not?—A. I cannot say, sir; I have not made that up.

By Mr. Pugsley:

Q. Was the dredge *Reliable* a second-hand dredge?—A. A second-hand dredge.

Q. What do you suppose it would have cost to build that dredge in the States?—A. I have an impression that they talked of \$30,000 or \$35,000.

Q. You got a bargain, I presume?—A. Got a bargain.

Q. And after bringing the dredge here you incurred expenditures in improving it?—A. Yes.

Q. It would cost up to how much,—I think you said \$35,000?—A. We figure she has cost us between \$35,000 and \$40,000.

Q. Speaking of the dredging on the Grand Dune Flats, in the call for tenders it was distinctly specified was it not, that there was a certain quantity, a million yards of dredging, and that you would have a number of seasons in which to do your work?—A. Yes, that is embodied in the contract.

Q. In previous calls for tenders, the contracts only had a certainty of one season, had they not?—A. I think the contract read in that way, or the Minister could make you continue dredging if he wanted to.

Q. Either call for new tenders or make an extension of the contract?—A. That is as I understand it.

Q. Did I understand you to say that in the case of Dalhousie when you received the telegram authorizing you to go on under the contract of the previous year at Dalhousie, do I understand you to say you took that to be an extension of your contract for dredging at Dalhousie?—A. That is my understanding of it.

Q. That is for the season's work?—A. That is how I understood it.

Q. How did you receive any intimation from the resident engineer that he had been instructed to withdraw the inspector?—A. Not to my knowledge.

Q. So far as you know, no orders were given to withdraw the inspector?—A. So far as I know.

Q. I suppose any details of that kind would be within the knowledge of those members of the firm who were at Dalhousie?—A. Yes.

Q. And the employees managing the matter there. With regard to the ferry work at Dalhousie and the work at the Grand Dune Flats, how would they compare? Would the work at the Grand Dune Flats be as difficult as the work at Dalhousie?—A. I do not know just how. I never saw the material dredged at Dalhousie.

Q. It is reported that Dalhousie would be largely hard pan. There is a great difference, is there not, in the cost of dredging depending on the material?—A. Yes, a large difference.

Q. And is not hard-pan very much more difficult and expensive than ordinary silt and mud?—A. It would cost very much more to dredge the same amount.

Q. I see a good deal is hard-pan, I do not know how much. Take her for instance in October I notice (referring to reports) every day is hard-pan right along.

The previous report to that is also every day hard-pan.

The previous report mentions every day hard-pan.

The previous report every day is hard-pan.

The previous report every day is hard-pan.

The previous report to that is also every day hard-pan.

The same as to the report previous to that.

By Mr. Reid:

Q. Was it hard-pan at that other place?

Mr. PUGSLEY.—No, It was silt—soft.

Mr. CARVELL.—My recollection was that the mud was at the other portion of Dalhousie harbour—the public wharf.

By Mr. Pugsley:

Q. I notice from July 12, in all the reports from the time the work commenced on 12th July, down to and including November 2, apparently for the entire time that the dredge was working at Dalhousie, the report shows that every day it was working in hard-pan. Now, I ask you whether or not that would be very much more difficult than dredging as you understand the material to be in the Grand Dune Flats?—A. I understand it would be very much more hard to dig than at Grand Dune Flats.

Hon. Mr. PUGSLEY.—It is very much harder material and more expensive?—A. Yes.

By Mr. Reid (Grenville):—

Q. Do you know how this work is measured by the inspector, is it scow measurement or in situ?—A. Scow measurement.

Q. He just counts the number of scows taken out each day?—A. I do not say that, I distinctly say that I did not see the dredge dig at Dalhousie, nor did I see her digging at Bathurst, so that I did not see the inspectors sending the scows out, but my understanding of the scow business is that it is not the number of scows alone but what is in each scow.

Q. And how is the day's work figured out? Is it by the number of scows that are taken out that day?—A. It is figured out by the number of scows with the contents of each scow.

Q. Taken out each day?—A. Yes, that is my understanding of scow measurement.

Q. And the inspector decides the quantity in each scow?—A. The inspector is the man who decides the quantity in each scow, yes, sir.

By Hon. Mr. Pugsley:

Q. Do you, or do you not understand that these measurements are made by the inspector under the careful directions of the resident engineer?—A. That is my understanding, sir, the resident engineer directs him.

By Mr. Crocket:

Q. The Hon. Mr. Pugsley called your attention to the return of the dredge at Dalhousie. I notice that at Bathurst that while the returns at Dalhousie do show hard-pan all the way through for the season of 1909, the returns from Bathurst from month to month are 'mud and sand, baliaist,' 'mud and sand,' 'mud and sand,' now these returns consecutively show 'sand and mud,' 'mud and sand,' 'sand and mud' all through the Bathurst work here with the exception, I think, of one or two at the beginning. These were sand and mud at Bathurst. Now you got 41 cents for that. Is that easier or harder dredging than the dredging you contracted to do at eleven cents?—A. That is harder than the Grand Dune Flats.

Q. Harder at Bathurst?—A. Harder than the Grand Dune Flats by all odds, that is my impression of it.

Q. Are you aware that in the work at Bathurst practically all the material was cast over and there was no towage at all?—A. I have never seen the dredging work at Bathurst.

Q. How do you know it is easier then?—A. You say it is sand and mud; well the sand and mud at Bathurst is harder than the mud on Grand Dune Flats. I have never seen the material they were digging at Bathurst.

Q. The material was entirely cast over in the season of 1908 when it was authorized by the Minister?—A. I never saw the dredge digging at Bathurst, from personal knowledge and observation I cannot say anything about it.

Q. And in the season of 1909 it was cast over for a small portion; now you spoke about the correspondence you have with you, I would like you to bring it up so that we can examine it.

By Mr. Reid (Grenville):—

Q. You received instructions, or a subpoena to appear before this committee?—A. I received a telegram.

Q. From whom?—A. From Mr. Carvell.

Mr. CARVELL.—That was the understanding at the last meeting.

Mr. REID (Grenville).—I know, that is all right and of course even if there is no subpoena he is entitled to his expenses.

By Mr. Reid (Grenville):—

Q. What I wanted to ask the witness was what instructions did you receive from Mr. Carvell?—To bring all papers, correspondence and other documents in connection with the Dalhousie work?—A. I received instructions to bring the telegram of June 1.

By Mr. Carvell:

Q. And have you that telegram with you?—A. Yes, here it is. (Document produced.)

Hon. Mr. PUGSLEY.—It might be as well to read that and have it go on the record Document handed to and read by Mr. Reid (Grenville) as follows:—

'February 17, 1911.

'Messrs. A. & R. Loggie,
Loggieville, N.B.'

Mr. CARVELL.—That was addressed to Loggieville and forwarded via Chatham to New York.

'Important to have whichever member of firm who received altered telegram June first, nineteen nine, Dalhousie dredging, in Ottawa Wednesday morning with telegram. I should have notified you earlier but neglected, if for any reason impossible to come wire me Ottawa giving reason, come if possible.

'F. B. CARVELL.'

By Mr. Reid (Grenville):—

Q. You have some other correspondence that you brought?—A. I said I had a copy of that telegram from Mr. Stead, the telegram that he received.

Q. And letters, did you say?—A. I think there are some letters, I will look through it.

Q. When you received that telegram did you look through your office to see if there was anything that referred in any way, shape or form to the Dalhousie dredging?—A. Yes, I did.

Q. And these documents you have here are all the papers?—A. All the papers we have in connection with the Dalhousie dredging.

Q. Or in connection with this supposed mistake between Bathurst and Dalhousie, you have them all here?—A. Yes.

Q. So that when we get them here that is all you have at Dalhousie or Loggieville?—A. Yes, I called up Andrew Loggie and he said he looked through his files and couldn't find anything else.

By Hon. Mr. Pugsley:

Q. Speaking of Grand Dune, Mr. Loggie, do you happen to know that in the previous year, or rather in the year 1908, do you happen to know that public tenders were called for dredging at Miramichi which included the Grand Dune Flats and the Horseshoe?—A. Yes, they were called for in the spring of 1908, I remember now.

Q. And did your firm tender for that work?—A. I think they did.

Q. Do you know who got the contract?—A. I understand that W. J. Poupore got it, I think it was he.

Q. Do you happen to know, as the records here show, that the lowest tender for the work in that year, which was for the season—under the old system of letting contracts, that the lowest tender was for 60 or 65 cents?—A. I do not know what he got.

Q. The records show that, and that is the very work which you are doing under the new system of tendering, specifying this large quantity and getting a number of seasons in which to do the work, that is the same work you are doing on the Grand Dune Flats at 11 cents?—A. That is part of the same work.

By Mr. Reid (Grenville):

Q. That is the easiest part you are doing, is it not?—A. It would need to be at 11 cents.

Witness retired.

Committee adjourned.

EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

DREDGING---DALHOUSIE, BATHURST, CARA-
QUET AND LOGGIEVILLE

DALHOUSIE AND BATHURST

No. 7—FEBRUARY 24, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1911

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM No. 32,

FEBRUARY 24, 1911.

The Select Standing Committee on Public Accounts met at 11 o'clock, a.m., the Chairman, Mr. Warburton, presiding.

The Committee resumed the consideration of a payment of \$31,362.50 to A. & R. Loggie for dredging at Dalhousie, N.B., as set out on Page V—248, Report of the Auditor General for the fiscal year ending March 31, 1910.

The CHAIRMAN.—Mr. Stead is the witness this morning, I understand.

Mr. CARVELL.—Before Mr. Stead is called I wish to submit to my friend the remaining documents Mr. Loggie has in his possession. They are here for the inspection of the committee.

Mr. CROCKET.—I think most of these are in, are they not?

Mr. CARVELL.—Practically all, except that there is a letter from the Minister of Public Works on September 22, 1909, which I think ought to go in. This is the letter dated 22nd September, 1909. (Reads.)

Office of the Minister of Public Works of Canada.

OTTAWA, September 22, 1909.

DEAR SIRs,—I am in receipt of your favour of the 8th inst., enclosing telegram *re* dredging Dalhousie, which I now return. There appears to have been a mistake on the part of the Telegraph Company at Loggieville in putting in the word 'Dalhousie' instead of 'Bathurst,' but as the dredging work was necessary and was done under the direction of the resident engineer, also with proper inspection, I have asked the Chief Engineer to have the accounts passed.

Yours truly,

WILLIAM PUGSLEY.

Encl.

Messrs. A. & R. Loggie,
Loggieville, N.B.

Received.

September 24, 1909.

Answered.

I put that in as Mr. Loggie's authority for continuing the dredging.

Mr. PUGSLEY.—(Referring to document) And this is the contract.

Mr. CARVELL.—That is in now. I produce everything that Mr. Loggie had in his possession in Ottawa. As the committee understands he was only asked to produce a telegram, but he brought other documents as Mr. Crocket brought out in his examination, and I produce everything he had.

Mr. CROCKET.—Here is a letter from Geoffrey Stead, August 14th, 1909. (Reads.)

No. 7831.

Subject, Dalhousie, N.B.

DEPARTMENT OF PUBLIC WORKS, CANADA,

RESIDENT ENGINEER'S OFFICE,

CHATHAM, N.B., 14th August, 1909.

DEAR SIRS,—The measurements for Dalhousie I gave you over the telephone were from memory as I had returned Mr. Allain's reports for his signature. I find that I was wrong, the total from the reports being 10,086 cubic yards.

I have just received the account for 10,456 cubic yards—the figure I gave you—and am correcting the account—making the amount due you for July, \$5,043—and forwardig it to Ottawa to-day.

Yours very truly,

GEOFFREY STEAD,

Resident Engineer.

Messrs. A. & R. Loggie,

Loggieville.

I will put that in too.

Mr. CARVELL.—You have also a copy of the telegram that was delivered by Mr. Stead to the Loggies.

Mr. CROCKET.—I guess that is in, but there is a note here, a copy of the telegram and I will put that in as well.

CHATHAM, N.B., August 4, 1909.

From Ottawa, Ont., to Geoffrey Stead.

Notify contractors Loggie that there is no appropriation for dredging at Dalhousie and that is not authorized.

U. Valiquet for Chief Engineer.

Copy given to Messrs. A. & R. Loggie, August 5.

G. Stead.

Mr. CROCKET called attention to some loose sheets from the Loggies' letter-book.
—Discussion followed.

Mr. CROCKET.—I just want to ask Mr. Stead one or two questions with reference to the dredging at Dalhousie, but perhaps before I do so we had better put this in. This is the correspondence brought by my friend, letters to Mr. Stead from the Loggie firm enclosing accounts for dredging at Dalhousie.

Mr. CARVELL.—You will find those accounts are in evidence already.

Mr. CROCKET.—The accounts are but these are letters. I asked Mr. Stead some questions as to when he received accounts from the Loggie firm.

Mr. CARVELL.—I see. Put in the letters.

Mr. CROCKET.—There are some accounts here, but I shall put only the letters in.
—Letters filed as follows—

September 29, '09.

G. Stead, Esq.,

Chatham.

Dear Sir,—Please find enclosed our bill for dredging at Dalhousie during the month of August, 1909, with dredge *Reliable*, amounting to \$9,203.

Yours truly,

A. & R. Loggie.

R.L.

October 23, 1909.

G. Stead, Esq.,
Chatham.

Dear Sir,—Please find enclosed our bill for dredging at Dalhousie, N.B., during the month of September, 1909, with dredge *Reliable*, amounting to \$10,339.

Yours truly,

F.P.L.

December 1, '09.

G. Stead, Esq.,
Chatham.

Dear Sir,—Please find enclosed bill for dredging at Dalhousie during the months of October and November, 1909, with the dredge *Invader*, amount \$6,777.50. Kindly have this forwarded to the Department promptly through the proper channel.

Yours truly,

A. & R. Loggie.

Mr. GEOFFREY STEAD,—Recalled.

By Mr. Crocket:

Q. Mr. Stead, you told us the other day that you were at Dalhousie only once I think during the season of 1908 or 1909?—A. Until the 24th of September.

Q. Until the 24th of September?—A. Yes.

Q. Were you at Dalhousie after the 24th of September?—A. Yes, I was at Dalhousie once some time after that, it was during the season.

Q. Are you able to say when?—A. Yes.

Q. It was in the month of November, was it not?—A. Yes, on the 17th of November.

Q. On the 17th of November?—A. Yes.

Q. And before the 24th of September you were there only once, and I think you stated the date was the 16th of July?—A. Yes, the 15th or the 16th of July—the 15th of July I have it here, I was there.

Q. And you are aware that the returns here show that dredging at Dalhousie was begun on the 12th?—A. Yes.

Q. Was that on the 16th, do you say, the 16th or the 17th?—A. The 15th or the 16th.

Q. So that on the 15th or 16th of July you were aware that dredging was going on at Dalhousie?—A. Yes.

Q. But you did not give any explanation to the Department until the 2nd of August?—A. No, I explained that here before.

Q. Were you at Ottawa during the season—

Hon. Mr. PUGSLEY.—Pardon my interruption but do you think, Mr. Crocket, that the expression 'explanation,' in view of what Mr. Stead has already said, correctly puts the matter before the witness?

By Mr. Crocket:

Q. That is a fact, Mr. Stead, is it not, that you did not communicate with the Department until the 2nd of August, notwithstanding that you were aware on the 15th of July, dredging had been resumed at Dalhousie?—A. Yes, for the reason I stated before.

Q. Now, I ask you if you were at Ottawa during the season?—A. Yes, I was.

Q. What date were you in Ottawa?—A. The 19th of January, that is the same fiscal year.

Q. Yes, but after the commencing of dredging operations at Dalhousie?—A. Yes, I was there on the 18th and 24th September.

Q. You were in Ottawa from the 18th to the 24th of September?—A. Yes.

Q. Did you see the Minister of Public Works or the Deputy Minister?—A. I have no doubt I did, yes.

Q. Did you see the Minister of Public Works?—A. I have no doubt I did, of course—

Q. Would you say you have any doubt you did? You recall the fact that you did, don't you?—A. Well, I do not, at that particular time; of course I have been at Ottawa a good many times since, and I make it a point to call on the Minister whenever I am near the Minister's office.

Q. What brought you to Ottawa on the 18th of September?—A. I was here in connection with some contract work at Cape Bald.

Q. Who sent for you?—A. The Chief Engineer.

Q. Have you got the letter?—A. Yes—no, not here, but I have it.

Q. I thought you brought all your papers here?—A. In regard to all my works? It would be impossible, unless I had my office here.

Q. You had a file here the other day, have you that file with you here now?—A. Oh, yes, but there is nothing in connection with the Cape Bald work on that file.

Q. Have you the letter calling you to Ottawa with reference to the Cape Bald work?—A. I have no doubt I have—I can swear to it that I wouldn't be here unless I had a letter to come.

Q. Was Mr. Loggie here in Ottawa at that time?—A. Not that I know of, which Mr. Loggie?

Q. Mr. Francis Loggie, Mr. Andrew Loggie, or Mr. Robert Loggie?—A. Not that I know of, I have no knowledge of their being here then.

Q. You say that you saw the Minister of Public Works, or you have no doubt you saw him on that occasion?—A. Yes.

Q. Now the Minister's memorandum in this matter is dated the 22nd of September, 1909; you were in Ottawa at that time?—A. Yes, I left on the 18th for Ottawa, and I got back on the 24th.

Q. Well were you in Ottawa on the 22nd?—A. I must have been.

Q. Your account for travelling expenses shows, I think?—A. Yes, from the 18th to the 24th I was away from Chatham, I would certainly be in Ottawa, I don't remember being in Ottawa on the 22nd. I would be here on the 21st, it just depends on what day of the week it is, I cannot tell you whether I was or not unless I know the day of the week.

Q. There is an item here in your accounts for the month of September, 'September 23, lodging, Russel House, 4 days,' does that indicate that you were here on the 23rd?—A. Yes.

Q. No doubt you consulted with the Minister of Public Works with reference to this matter at Dalhousie?—A. I don't remember.

Q. You don't remember?—A. No.

Q. What do you remember consulting with the Minister about?—A. As I say I can't swear that I saw the Minister at that time at all; I do not remember what points I discussed with him at that time at all.

Q. But you have no doubt you did discuss something with him?

Mr. CARVELL.—He hasn't said that he discussed anything with him.

By Mr. Crocket:

Q. You have no doubt you saw him, you said that?—A. If the Minister was here at that time, I, no doubt, saw him.

Q. But you are not able to say that you talked with him?—A. If he were here at that time I most certainly did.

Q. But you are not able to say what subject you discussed with him?—A. No.

Q. Will you swear that you did not discuss with him the subject of the Dalhousie dredging?—A. In virtue of my previous statements I do not see how I could, I have no recollection of doing so.

Q. That is all you have to say in reference to the conversation with the Minister?—A. Yes, if any such conversation occurred.

Q. But you cannot indicate a single subject that you discussed with him?—A. No.

Q. Now did you have any conversation with the Deputy Minister?—A. Yes.

Q. Do you remember what you discussed with the Deputy Minister?—A. No.

Q. Did you have any conversation with the Chief Engineer, Mr. Lafleur?—A. I can't tell that either, I do not know whether the Chief Engineer was here. Whenever I am in Ottawa I go to the Chief Engineer's office but I can't tell you even whether the Chief Engineer was here on that date or not.

Q. You then really do not remember whether you had any conversation with the Chief Engineer or not?—A. No.

Q. But you do remember you had a conversation with the Chief Engineer, or do you?—A. I always call on the Deputy Minister when I am here, but I have no recollection of any conversation at that time.

Q. Did you have any conversation with Mr. Valiquet?—A. I cannot say that, either.

Q. You have no recollection of having a conversation with him?—A. No.

Q. And is that the fact, Mr. Stead, that you came to Ottawa, that you were here four days—you were here on public business were you not?—A. Yes.

Mr. CARVELL.—In connection with the Cape Bald work, he says.

—A. In connection with Cape Bald work.

By Mr. Crocket:

Q. You say that you were here in connection with the Cape Bald work?—A. Yes.

Q. And notwithstanding that you are not able to say what subjects you discussed with any of the officers of the Department.—A. I know that I discussed the Cape Bald work with some of the officers of the Department, but I am not absolutely certain whether it was the Chief Engineer or with his representative in the office at that time.

Q. But the conversation with respect to the Cape Bald work was with either the Chief Engineer or his representative in the office?—A. Yes.

Q. And you have stated that you have no doubt that you had conversations with the Minister of Public Works and the Deputy Minister of Public Works and you are not able to indicate what those conversations were?—A. If they were at Ottawa at the time.

Q. Did you not say, Mr. Stead, that you had no doubt you saw the Minister of Public Works? And did you not also say you had no doubt you talked with the Minister of Public Works?—A. I said if he were in Ottawa at the time.

Q. But you are unable to say—are you able to say whether he was in Ottawa at the time?—A. No, I can't say.

Q. This memorandum of his of the 23rd of September would indicate he was here at the time, would it not?—A. It depends upon where it was dated from.

Q. It is dated the 22nd of September at Ottawa which would indicate that he was here?—A. Yes, I would suppose so.

Q. And you say that if he were in Ottawa at that time you no doubt saw him and talked to him?—A. Yes.

Hon. Mr. PUGSLEY.—If you know the procedure in my office, Mr. Crocket, you would understand that I dictate to my stenographer or secretary and when it is transcribed the name of the Minister is attached to it with the lithographed stamp, but that may be three or four days after it is dictated. This date upon it would not necessarily indicate that it was dictated upon that day.

Mr. CROCKET.—Perhaps you can say whether you were here on that date or not, Dr. Pugsley?

Hon. Mr. PUGSLEY.—No, I cannot say that. I might state, for the information of the committee, that I never sign these memoranda, I never see my letters or memoranda after I dictate them to my stenographer or secretary unless it is a letter or recommendation to my colleagues. When I dictate to my stenographer, to my secretary, that is my authority and the lithographed signature is affixed by him when the transcription is completed.

Mr. CROCKET.—There is a letter here purporting to be signed by William Pugsley on September 22, 1909, to Messrs. A. & R. Loggie, would that indicate that it was dictated on that day?

Hon. Mr. PUGSLEY.—It would indicate I was in Ottawa, but it would not be positive because, as I say, I dictate to my secretary or one of the stenographers and that is the end of the matter so far as my knowledge goes; I do not see it again.

By Mr. Crocket:

Q. If your mind is a complete blank about these things, Mr. Stead, it would almost seem to be unnecessary to ask you any details as to whether you informed the Minister, or whether the Minister discussed with you the fact that a telegram having been sent to you on the 4th of August notifying you that the work was not authorized and that there was no appropriation—do you remember if that subject was discussed between you and the Minister or between you and the Deputy Minister?—A. No, I do not remember.

Q. You do not remember?—A. No.

Q. Will you swear it was not?—A. I say I do not remember.

Q. Is there anything that will refresh your memory on that point?—A. I do not know whether there is anything or not.

Q. You got a letter, didn't you, from Mr. Valiquet dated the 24th of September in reference to dredging by Messrs. Loggie at Dalhousie?—A. Yes.

Q. That would be the day after you left Ottawa, wouldn't it?—A. Yes.

Q. (Reads):

'Sir,—With regard to the dredging done by Messrs. A. & R. Loggie at Dalhousie, N.B., I have to ask you to send me certified weekly reports of the dredging operations, and a certified account, in duplicate, for the amount due the firm.'

That is addressed to Geoffrey Stead, Chatham, N.B., you were in Ottawa the day before that letter was addressed to you?—A. Yes.

Q. And had been in the Department?—A. Yes.

Q. Now your attention having been called to that, do you say that that subject was not discussed by you with the Minister?—A. I have no recollection of having discussed the subject with the Minister.

Q. Now the Minister's memoranda states that this work—that is the memoranda that has already been referred to of September 22, states that 'Messrs. A. & R. Loggie have sent me the original telegram delivered to them by the office of the G.N.W., at Loggieville, which authorized the dredging at Dalhousie and of which the copy of telegram attached to letter of Mr. James Reid is an exact copy. Under these circumstances, and as Messrs. Loggie went on in good faith and did the dredging under the direction of the resident engineer, and as this work was necessary, kindly have the necessary payments made pursuant to the report of the resident engineer.' You see, as the Minister states there that this work is done under the direction of the resident engineer. Now you have already stated, Mr. Stead, that you were at Dalhousie only once during that season until the 23rd of November?—A. Yes.

Q. You were there, I think, on the 15th of July?—A. Yes.

Q. And at that time you had no instructions from the Department authorizing this work?—A. At that time I thought I had instructions.

Q. You thought, but did you have?—A. No.

Q. You had no instructions?—A. No.

Q. So that the only time you were at Dalhousie during the dredging season and while these dredging operations were going on was on the 15th of July, and at that time you had, as a matter of fact, received no instructions from the Department authorizing the continuation of that work?—A. No.

Q. Then do you say that that statement was correct, that the dredging was done under the directions of the resident engineer?—A. It was done according to my plans and—

Q. Did you in the season of 1909 authorize the firm of A. & R. Loggie to continue or resume dredging operations at Dalhousie?—A. No.

Q. And you were there only once, on the 15th July, so that you did not inspect the work during the whole season?—A. No. With fifty works to be looked after I could not do the inspection myself.

Q. I am not asking—A. You are implying something that is not correct.

Q. Please answer my question?—A. I will answer the question, but in my own way. I say that I had probably fifty works to look after, and personally I could not have inspected all those works closely. I was there once and I was there for as much time as I could spare for that particular work.

Q. Did you inspect the dredging operations at Dalhousie during the season of 1909 as resident engineer?—A. The dredging operations at Dalhousie were inspected by my officers.

Q. I am not asking you that, but did you inspect the dredging operations yourself?—A. You know just what I did. I have told you before what I did.

Q. I want an answer to that question, did you inspect the dredging operations at Dalhousie during the season of 1909?—A. Yes, I did. I had to inspect them personally because I was there several times.

Q. You were there on the 15th of July?—A. Yes.

Q. And that is the only time you were there till September?—A. Yes.

Q. And up to that time you had no instructions authorizing the work to go on?—A. I thought I had, but I found that I had not. But the Loggie's had instructions which they considered entitled them to go on.

Q. And on August 4 you received a telegram from the Public Works Department stating that the work was not authorized and that there was no appropriation?—A. Yes.

By Mr. Carvell:

Q. Just one or two questions. You stated that you had received no positive instructions from the department to proceed with the work at Dalhousie. Had you not received some instructions from the department with reference to the work at Dalhousie prior to the 12th day of July?—A. Yes.

Q. What had you received?—A. I had instructions to appoint an inspector when the work began.

Q. And the inspector's name was given?—A. Yes.

Q. Had you appointed an inspector before the work commenced?—A. I had, and gave him instructions for the work.

Q. Do you know, Mr. Stead, whether and dredging had ever been done along the wharf on the western side of the harbour at the ferry slip in Dalhousie prior to the work done there in 1908?—A. There was dredging done around the ferry wharf, and the approaches to the ferry wharf, prior to that date.

Q. And had there been any dredging done next the Dalhousie Lumber Company's wharf prior to that date?—A. I cannot say how close it went to it. It was not absolutely close to the wharf; the dredging practically never was done actually close to that wharf.

Q. Then your dredging did not go close to the wharf?—A. It did not go close to the wharf. The dredging was done from the ferry slip past the Dalhousie Lumber Company's wharf out to the harbour entrance at other occasions.

Q. Done when and by whom?—A. Done by the dredge *St. Lawrence*, I think, in 1905.

Q. Can you tell us whether the Dalhousie Lumber Company owned the property in 1905?—A. I think that was before they purchased—

Q. That was before they purchased the property?—A. Yes.

Q. Do you know who owned the property before that?—A. I think it was the property of Mr. Moffatt at that time.

Hon. Mr. PUGSLEY.—Is that the Mr. George Moffatt who used to be the Conservative member?

Mr. CARVELL.—The very same man.

By Mr. Carvell:

Q. Do you know whether any dredging was done prior to 1905?—A. I have no personal knowledge of that.

By Mr. Barker:

Q. Mr. Stead, you were the officer in charge of this Dalhousie work?—A. Yes, sir.

Q. You knew, did you not, from the 12th of August till the 22nd or 24th of September that there was a dispute as to whether this dredging had been authorized or not?—A. Yes.

Q. You knew that the point was in question?—A. Yes.

Q. When did you get any notice of the decision of the minister; on the 22nd of September?—A. I received it about the 27th I think.

Q. About the 27th of September?—A. Yes, the 25th or the 27th.

Q. Now, you would be in Ottawa about the 27th September?—A. Yes.

Q. Did it not strike you as very singular that a decision had been come to without being communicated to you when you were in Ottawa at the time? Did that occur to you at all?—A. No. I have no remembrance—no, I do not remember it at all.

Q. You do not remember being struck by that as a singular thing?—A. No.

Q. Although you were here at the time of that decision?—A. Yes.

Q. And you were the officer in charge of the whole work?—A. Yes.

Q. And you were not communicated with?—A. It is quite possible I discussed the matter with the chief engineer or with his representative.

Q. You think it possible that you would discuss work involving altogether that year \$31,000 and forget?—A. It is quite possible, because there are so many works that I have to discuss.

By Hon. Mr. Pugsley:

Q. Mr. Stead, with regard to the starting of this work at Dalhousie by the appointment of an inspector and giving him instructions, as you say you did, did you act in the same way as you would have done if you had actually received instructions from the department?—A. Yes, in the same precisely.

Q. That is to say the Messrs. Loggie notified you of their telegram authorizing them to go to work, the chief engineer had instructed you to appoint an inspector, and you did appoint an inspector and you gave him the necessary directions?—A. Yes.

Q. And then on the 15th of July you were at Dalhousie and saw the work going on?—A. Yes.

Q. And was it going on according to your directions?—A. It was going on correctly.

Q. In accordance with your directions?—A. In accordance with my directions.

Q. And in accordance with your layout of the work?—A. Yes.

By Mr. Crocket:

Q. My learned friends, Dr. Pugsley and Mr. Carvell, have also asked you with reference to the instructions you received in regard to the appointment of an inspector. Is this the instruction you refer to? (Reads):

May 25, 1909.

SIR,—In case the Loggie dredge works at Dalhousie and in Campbellton, N.B., this season, you will appoint Mr. Louis Allain as inspector, providing he is competent to fill the position.

A. Yes.

Q. And when did you appoint the inspector?—A. On the 8th of July.

Q. And you had received no instructions to resume the dredging operations at Dalhousie at that time?—A. No.

Q. From the department?—A. No. I had not.

Q. You did that upon information that you got from Mr. Loggie himself, did you not?—A. I did that upon information I got from my office.

Q. From your office?—A. Yes.

Q. And that information was that Mr. Loggie had notified the office that he had received instructions?—A. Yes, that he was ready to dredge there.

Q. You referred also to dredging having been done in the ferry slip in 1905. I notice a letter here which you wrote on July 9, 1908, to the chief engineer, in which you say (reads):

In August, 1905, the *St. Lawrence* was ordered to do a few days' dredging in the basin at the ferry wharf. It is asked that a considerable amount of dredging be now done there.

Is that the dredging that you referred to in answering my learned friend's questions?—A. Yes.

Q. A few days' work in the ferry basin?—A. Yes, they had to start outside the bar and work in.

Q. And on September 14, 1908, you wrote to the chief engineer that you had received a letter from the Dalhousie Lumber Company saying 'that the *Hayward* will have dredged the 75 ft. strip for the full length to 12 to 13 feet at low water by about the last of September. As the company was aware that Mr. Turgeon was anxious to have the dredge begin at Caraquet this year they asked that the *St. Lawrence* be then allowed to complete the berth to 20 feet at low water so that they might be able to build their new wharfs, or rather new face, along the old wharfs, and put up the conveyors this winter and be ready for shipping from their new mill, which is nearing completion, next spring.' Did the *St. Lawrence* do any work of that kind in 1905 for George Moffatt?—A. No. George Moffatt was not contemplating building any wharf at that time.

Q. And you have received a letter from the chief engineer, did you not, dated September 18, 1908, in which the chief engineer uses the expression: 'In regard to the work remaining to be done at Dalhousie for the Dalhousie Lumber Company?' You received a letter with that expression in it, did you not?—A. If that letter is among the correspondence I received it.

Q. Just look at it (handing document to witness)?—A. (After examining document). That has been before the attention of the committee before.

Q. Your attention has been called to it, has it not?—A. Yes, I must have received that.

Q. 'Work remaining to be done for the Dalhousie Lumber Company'?—A. Yes.

Mr. CROCKET.—That is all with reference to Dalhousie.

By Mr. Reid (Grenville):

Q. Mr. Stead, you received a telegram from Ottawa as follows (reads):

PUBLIC WORKS DEPARTMENT,
OTTAWA, August 4, 1909.

GEOFFREY STEAD,
District Engineer,
Chatham, N.B.

Inform Contractors Loggie that there is no appropriation for dredging at Dalhousie and that work is not authorized.

(Sgd.) HUGH VALIQUETTE,
For Chief Engineer.

Mr. CARVELL.—You are a little late. We have had that before and the document is here. You had better get the document yourself. We have been all over that this morning.

By Mr. Reid (Grenville):

Q. When you got that telegram what did you do with it?—A. I telephoned it to A. & R. Loggie.

Q. You telephoned it?—A. Yes.

Q. Did you go down to Dalhousie soon afterwards?—A. No. It was to Loggieville that I telephoned it.

Q. You telephoned it to Loggieville?—A. Yes.

Q. And did you see any of the Loggies soon afterwards?—A. Yes, I saw one of them next day and gave him a copy of the telegram.

Q. Did you give him a copy of it at that time?—A. Yes.

Q. Did you discuss what was necessary to be done then in so far as this work was concerned?—A. Yes, I did. I have mentioned that before.

Q. Well, I was not in at that time. What was the nature of that conversation —A. I said that I had no authority in the matter except what that telegram conveyed—that is as I remember—and I could not authorize any more dredging there.

Q. You could not authorize any more dredging?—A. No.

Q. Well, did you tell them to stop?—A. I presume that I did, yes.

Q. And they went on afterwards in opposition to your instructions?—A. Practically, it seemed to me.

By Hon. Mr. Pugsley:

Q. Did you give any instructions to the inspector to stop or did he continue on? —A. He continued on, Dr. Pugsley.

The CHAIRMAN.—Are you through with Mr. Stead?

Mr. CROCKET.—Yes, on Dalhousie dredging, but there is still the Bathurst dredging.

Mr. CARVELL.—I have no questions to ask this witness.

Witness retired.

HOUSE OF COMMONS,

ROOM NO. 32,

FRIDAY, February 24, 1911.

The Select Standing Committee on Public Accounts met at 11 o'clock a.m., the Chairman, Mr. Warburton, presiding, and proceeded to the consideration of an item of \$25,389.25 for dredging at Bathurst, N.B., as set out at page V—248 of the report of the Auditor General for the year ended March 31, 1910.

Mr. GEOFFREY STEAD, District Engineer, Department of Public Works, Chatham, N.B., called, sworn and examined.

By Mr. Crocket:

Q. When did you get your first instructions to resume the dredging at Bathurst in 1909?—A. On the 7th of June.

Q. The 7th of June?—A. Yes.

Q. Do you know when the work was begun at Bathurst?—A. It was begun on the 10th of May.

Q. Then for three or four weeks, nearly a month, before you got my authority for the continuation of the dredging at Bathurst, the operation had been going on?—A. Yes.

Q. Did you have any knowledge of that?—A. I did, some time in May, but I do not know just what date.

Q. Cannot you find out when you first learned of the dredging at Bathurst?—A. I think about the middle of May I had knowledge of that.

Q. In the middle of May?—A. Some time in the middle of May.

Q. Before there was any authority for the work?—A. Yes.

Q. Did you communicate that to the department?—A. No.

Q. You did not?—A. No.

Q. Did you think that was the proper thing for a contractor to do, to start dredging without any authority?

Mr. CARVELL.—Now, Mr. Chairman, I think the question is out of order. I do not think it is proper to ask the witness what he thought about it. I think Mr. Crocket should ask the witness what he did.

The CHAIRMAN.—I do not think Mr. Crocket can ask the witness his opinion. If you get out the facts, Mr. Crocket, we will form our own opinions.

The WITNESS.—While they were dredging I had not any instructions in regard to it. They could dredge—they were doing no harm.

By Mr. Crocket:

Q. That is your answer, is it?—A. They could dredge where they liked, but they were not doing any harm where they were.

Q. That is your explanation of why you did not communicate with the department—that they could dredge where they liked and were doing no harm?—A. They were not doing any harm. No.

Q. Now, you were aware, Mr. Stead, were you not, that they had no contract at all for dredging at Bathurst at that season?—A. I was aware they had no instructions to dredge at Bathurst except through—

Q. And you were aware that the department had done dredging the previous season limited to \$5,000?—A. Yes.

Q. Upon instructions from the department?—A. Yes.

Q. At a fixed price without tenders having been called for?—A. Yes.

Q. And without any written contract having been entered into?—A. It was in a way.

Q. Well, I am asking you if you were aware of that fact?—A. It was under the same terms as their other contract.

By Mr. Carvell:

Q. What other contract?—A. Their Caraqueet contract.

By Mr. Crocket:

Q. Was there any written contract for the work at Bathurst?—A. It was like an extra work on the ordinary contract. There was no written contract for that particular piece of work or separate contract.

Q. Mr. Doody, will you let me have that telegram of October, 1908? Now, Mr. Stead, is this a fact or not, that the dredging at Bathurst, which was authorized at Bathurst in 1908 under the minister's telegram fixing the price at 41 cents, limited the work to \$5,000?—A. For that season.

Q. For that season?—A. Yes.

Q. Was there anything with reference to the continuation of the work during the following season?—A. There was not, during that season.

Q. And you had estimated that work as worth 35 cents a cubic yard?—A. I had put that figure in my report, yes.

Q. As worth 35 cents a cubic yard?—A. I had put that down as a basis for valuation.

Q. And you were instructed from the head office here to put them to work at 41 cents a cubic yard?—A. Yes.

Q. Or at the same price as at Caraqueet?—A. Yes.

Q. Notwithstanding that a few weeks before you had estimated the work at 35 cents?—A. I had put that down as a basis for estimating it at that time. It might cost more or less.

Q. And notwithstanding your estimate of that particular work you certified 41 cents as fair and reasonable?—A. Yes, I stated that.

Q. And you were requested by the department to do so, were you not?—A. It was on my own recommendation.

Mr. CARVELL.—You will find he was requested to make a statement on the 8th October.

Mr. REID (Grenville).—A statement of what?

Mr. CARVELL.—Of what would be a fair price.

Mr. REID.—After they had commenced work.

Mr. CARVELL.—No, before they commenced.

By Mr. Crocket:

Q. Now, your report I refer to is dated October 6, 1908. I think Mr. Doody put this in already, so it will not be necessary to have it go on record again. (Reads report dated October 6, 1908, printed on page 99 of the evidence). That is your report, is it not?—A. Yes.

Q. And you estimated the work as worth 35 cents, and on that basis it would cost \$12,775?

Mr. CARVELL.—Pardon me, you are incorporating in that something which is not fact. He does not say the work would cost 35 cents. He simply says: 'Dredging to give 6 feet of low water would amount to 36,500 cubic yards, barge measurement, which at 35 cents per cubic yard would cost \$12,775.'

By Mr. Crocket:

Q. That is your statement, is it not, 'Dredging to give 6 feet at low water would amount to 36,500 cubic yards, barge measurement, which at 35 cents per cubic yard

would cost \$12,775?—A. That was my statement, but, of course, it was for the whole amount of dredging, too.

Q. It was for the whole amount, that was \$12,775?—A. Only a small portion of that was authorized that year.

Q. Mr. Stead, when you said, 'Which at 35 cents per cubic yard would cost \$12,775,' that is for the whole 36,500 cubic yards, is it not?—A. Yes.

Q. And that was your estimate?—A. Yes, it was a basis of valuation, my estimate at that time.

Q. After that report, were you not instructed by the department?—A. Yes.

Q. It authorized the Loggies to go on with the work at Bathurst at the same price as at Caraquet, which was 41 cents?—A. After I had reported that would be a reasonable price—

Mr. CARVELL.—Look at the letter of October 9.

WITNESS.—I had changed my estimate.

Mr. CROCKET requested the stenographer to read witness' answer to previous question. (Answer read).

By Mr. Crocket:

Q. It is a fact, is it not, that on October 8 you received this letter from the chief engineer, a letter dated October 8, to Geoffrey Stead:—

I have your report of 6th inst. *re* dredging at Bathurst. Do you consider 35 cents per cubic yard, scow measurement, fair and reasonable.

(Signed) CHIEF ENGINEER.

Then the letter in reply to that to which my friend refers is October 9. This is it, I suppose:—

CHATHAM, N.B., October 9, 1908.

E. D. LAFLEUR,
Chief Engineer,
D.P.W., Ottawa, Ont.

In reply to your telegram at this late season I would consider 41 cents per cubic yard, barge measurement, fair and reasonable for dredging at Bathurst. A. & R. Loggie will probably ask this, which is their price at Caraquet and Stonehaven.

(Signed) CHIEF ENGINEER.

Resident Engineer.

—A. Yes.

Q. You raised it then because of the lateness of the season?—A. Yes, no dredging had been done there; we could not actually tell the difficulty of dredging or the easiness of dredging at that time.

Q. Now, on October 14 there is this telegram from the Minister at Dalhousie—I think the Doctor remarked the other day that this was during an election campaign. (Reads):

DALHOUSIE, N.B., October 14, 1908.

EUGENE D. LAFLEUR,
Ottawa.

Kindly authorize Resident Engineer Stead to put dredge *Hayward* at work at Bathurst at same price as Caraquet contract to be certified fair and reasonable by Stead, work not to exceed \$5,000.

(Signed) WILLIAM PUGSLEY,

Minister of Public Works.

And as a result of that the chief engineer on the same day wired you:—

You are authorized to place dredge *Hayward* to work at Bathurst at same price as for Caraquet dredging. Work not to exceed five thousand dollars.

(Signed) CHIEF ENGINEER.

Now, you raised the estimate you say because of the difficulty of the work at that season?—A. Yes, because of the lateness of the season.

Q. Now, you were authorized on October 14 to put them to work on those terms?—A. Yes.

Q. You are aware of the fact, are you not, that on October 6, eight days before, they were actually working. You know that, don't you?—A. I believe so. It is what the returns show.

Q. Yes, that on October 6 they were actually working on those terms, and no authority received by you until October 14, and October 6 was the day you wrote a letter to the department, this letter (reads):

SIR,—In regard to the dredging at Bathurst, on which I have just reported, I might say that the dredge *Hayward* is leaving Caraquet to go into winter quarters at Bathurst, as the site of the work at Caraquet is too much exposed for dredging at this season. In Bathurst harbour, however, the dredge might safely work for sometime this autumn, if the dredging there is decided on, as the site is sheltered.

You wrote that on October 6?—A. Yes, the site is certainly sheltered.

Q. And you gave there as a reason why the dredge had gone into Bathurst that it was because of the difficulty of the work at Caraquet where they were getting 41 cents?—A. No, not at all, because it was late in the season at Caraquet.

Mr. PUGSLEY.—It does not say the difficulty. It says 'exposed.'

By Mr. Crocket:

Q. Is that not difficult?—A. They were expecting to work at Caraquet during the summer, but they would not expect to work at Caraquet so late in the season as at Bathurst with quiet water.

Q. Have you not made the statement that the *Hayward* was to leave Caraquet and go into winter quarters at Bathurst?—A. Yes.

Q. And was that the reason you raised the price from 35 cents to 41 cents, because she was actually on the ground and had gone to lie up for the winter?—A. What do you mean?

Q. You made the statement to the department that this dredge was to leave Caraquet and go into winter quarters at Bathurst. I was asking is that the reason you raised your estimate, that the dredge was actually on the ground and had gone into winter quarters?—A. Is not the reason given in my letter.

Q. For the reason given in this letter, do you mean?—A. Which letter?

Q. The letter of October 6. Is that the reason you raised the estimate?—A. The reason I raised the estimate is given in the telegram in which I gave——

Q. That is the telegram of October 9. I will read that again (reads):

In reply to your telegram at this late season I would consider forty-one cents per cubic yard, barge measurements, fair and reasonable for dredging at Bathurst. A. & R. Loggie will probably ask this, which is their price at Caraquet and Stonehaven.

That is your telegram?—A. Yes.

Q. You raised it because of the lateness of the season?—A. Yes.

Q. That was in your telegram of October 9?—A. Yes.

Q. That is the reason assigned in the letter of October 6. You had reported that the dredge was leaving Caraquet because of the exposed situation out there?—A. Certainly.

Q. To go into winter quarters at Bathurst?—A. Yes.

Q. And was actually on the ground?—A. Yes.

Q. And in a sheltered position?—A. If she was going into winter quarters it must have been that the season was rather late for dredging.

Q. That is all the explanation you have got to offer for that, is it?—A. Is not that sufficient?

Q. Is that the only explanation you have to offer?—A. Yes, at that time it is the only explanation.

Q. Now, at Caraquet there was a written contract?—A. Yes.

Q. And the Caraquet work you have stated was in an exposed position?—A. It was in an exposed position at that season of the year.

Q. And the Caraquet contract required them to haul the dredged material three miles out, the material at 41 cents, to a distance not exceeding three miles?—A. That is the statement in the contract.

Q. Yes, and under that term in the contract they would be required to do that?—A. Yes.

Q. At Bathurst all this material was simply dredged and cast over without any towage at all, was it not?—A. They could have been required to convey the same distance as at Caraquet.

Q. Answer the question. Was any material in 1908 towed at all?—A. It was not towed. In that three miles at Caraquet—

Q. Was the material at Bathurst in 1908 towed or was it required to be towed?

By Mr. Reid (Grenville):

Q. Was it put in scows at all?—A. No.

By Mr. Crocket:

Q. It was simply cast over?—A. It was simply cast over.

Q. And yet you, as resident engineer, certified 41 cents as fair and reasonable, the same price as at Caraquet?—A. Yes, and results will show it was clearly fair and reasonable with the Caraquet contract.

Q. The results will show?—A. Yes.

Q. Is that as good contract work to dredge, what kind of material was at Bathurst?—A. It was stiff clay.

Q. Stiff clay?—A. Yes, or stiff mud.

Q. Here are some of the returns: The first return is mud and clay, the second mud and clay, the third mud and clay, the fourth mud and sand, the next is sand and mud, the next is mud and sand, ballast sand, and the next is mud and sand, and the next is mud and sand, and the next is sand and mud, and the next is sand and mud?—A. Well, as regards the material, I have walked over the top of it, and it was perfectly firm and hard, as hard as this floor when it was dredged. You could scarcely dig a foot into it.

Q. Do you know if it is the practice of the department in respect to cast over material to make a deduction of one-third or one-fourth below the contract price?—A. It has been.

Q. But it was not done in this case?—A. No, I did not do it.

Q. The Auditor General called the attention of the department to the fact that all this was cast over?—A. Yes.

Q. And it was sent to you to report?—A. Yes.

Q. And you made a report?—A. Yes.

The CHAIRMAN.—It is on page 102 of the printed report.

Mr. CARVELL.—That is 1908 work.

Mr. CROCKET.—Yes, I am asking about that. I will refer you to the letter from Frederick Hayter calling your attention to the fact. He says:—

The work done by Messrs. Loggie at Bathurst consisted of casting over ordinary material, measured in bucket, and was paid for at the rate of 41 cents per cubic yard. In previous cases where no price was stated for overcasting it was customary for you to allow two-thirds to three-fourths of the price of the material towed away in scows as fair and reasonable to both parties. It might be explained why this plan has not been followed in the present instance.

That letter went down to you, and you reported on April 14, 1909, and in your letter you say:—

The intention in this agreement on the part of the contractors was that they should receive 41 cents per cubic yard for material removed to the satisfaction of the department however deposited, and I had the same understanding of the contract. A reduction in price for casting over was not considered in the Caraquet contract, nor in this agreement, nor in the former agreements I have made for dredging at Chatham and Loggieville, where at different times material has been placed directly on top of or behind wharfs without reduction in the price.

These contracts you refer to—

Mr. CARVELL.—Would it not be fair to read the whole thing.

Mr. PUGSLEY.—You had better read the whole of it.

Mr. CROCKET.—(Continues reading):

The department has not lost in this way, because the prices under the circumstances were fair. You will notice that the prices for the Caraquet dredging is lower than those in the great majority of the contracts in this province.

I had difficulty in persuading the contractors to enter into this agreement as the season was so late and on account of the loss of time and expense they had suffered through moving from Dalhousie to Caraquet and Bathurst by order of the department, and because for the previous three months they had been dredging at Dalhousie for 50 cents per cubic yard.

The average daily dredging at Dalhousie was 696 yards, barge measurement; at Bathurst 460 cubic yards, bucket measurement. The daily earnings were $696 \times 50 \text{ cents} = \348 at Dalhousie; $460 \times 41 \text{ cents} = \188.60 at Bathurst.

The difference, \$159.40, is much more than the cost of the tug and two barges required at Dalhousie for removing the material.

At Caraquet no dredging was done, but most probably the Dalhousie average will be equal or exceeded when working with scows and tugs.

At Bathurst the dredging was done on top of flats, $1\frac{1}{2}$ to 2 feet out of water at low tide, and much time was lost even when casting over. Scows could only have been used for a short time each day, and it was only possible by casting over to make the desired improvements in the short time available before navigation closed.

Now, then, Mr. Stead, you stated in the first place there in that letter that you had difficulty—well, in the first place, you said it was the intention under the agreement on the part of the contractors, that they should receive 41 cents per cubic yard for material removed to the satisfaction of the department however deposited. Was that agreement made with you?—A. That agreement was made with me. I saw the contractors and made the agreement with them.

Q. Then the agreement was made, was it, before the minister's telegram had been sent from Dalhousie?—A. No, there could have been no agreement made until I had received instructions for that work.

Q. There was no agreement made until you received instructions from headquarters?—A. No.

Q. Received from headquarters from the Minister fixing this price?—A. Yes.

Q. Do you consider then that that agreement was made with you personally?—A. No.

Q. How did you know, as stated in this letter, that the intention of the contractors was that they should receive 41 cents per yard no matter what disposition was made of the material?—A. That was my belief.

Q. That was your belief?—A. Yes.

Q. Do you know, or do you not know the intention of the contractors themselves?—A. That is the way they understood the agreement.

Q. Did you know that before the minister telegraphed from Dalhousie?—A. When was that letter dated?

Q. This letter is dated October 14, 1909?—A. Is there any evidence that there was any agreement made before I had authority? There is none that I know of.

Q. There is no agreement, nothing except the instructions of the department to you to put the dredge at work, that was on October 14?—A. Yes.

Q. You say there was no agreement made with them before that date?—A. No.

Q. But they were at work there on October 8?—A. They may have been.

Q. Did you put them to work?—A. No.

Q. Do you know who did put them to work?—A. No.

Q. Did you discuss the question with the minister when you were at Dalhousie with him?—A. Yes, I brought that to the minister's attention, not that they were at work, because I did not know at the time that they were at work.

Q. You did not report to the minister when you were at Dalhousie on October 14 with the minister that the Loggies were actually at work?—A. I did not say I knew they were actually at work.

Q. But you did discuss the subject of making a contract with them?—A. I stated to the minister then that that work was asked for and that I had reported on it.

Q. Did you tell him that you had estimated it at 35 cents per cubic yard?—A. Not that I remember.

Q. Did you discuss with the minister the 41 cents or the price?—A. No.

Q. You did not?—A. No.

Q. But you did discuss the subject of the work with the minister at Dalhousie before the minister sent his telegram?—A. I called the attention of the minister to the fact that the dredging was asked for and that I had reported on it.

Q. You say in your letter that the reduction in price for casting over was not considered under the Caraquet contract, nor in this agreement, nor in former agreements I have made for dredging at Chatham or Loggieville?—A. No.

Q. How do you know that the reduction for casting over was not considered if you did not make the contract?—A. I suppose I could not say that according to the rules of evidence, but I believed that my report was true, that was all there was about it.

Q. You did not consider it yourself, is that what you mean?—A. I beg your pardon?

Q. What you mean is that you did not consider it yourself?—A. I did not consider it was the subject of reduction, and I did not consider myself that the reduction was necessary.

Q. You say that you had difficulty in persuading the contractors to enter into this agreement as the season was so late and on account of the lost time and the expense they had been put to in moving from Dalhousie to Caraquet and Bathurst by order of the department?—A. Yes.

Q. You wrote that in April, 1909?—A. Yes.

Q. The 14th of April, 1909?—A. The 14th of October.

Q. The 14th of April, 1909?—A. Oh, yes.

Q. You wrote that you had difficulty in persuading the contractors to enter into this agreement as the season was so late and on account of the lost time and the expense they had incurred through moving from Dalhousie and Caraquet?—A. Yes.

Q. And you, in the month of October, on the 6th of October, had reported to the department that their dredge *Hayward* was actually at Bathurst and had gone in there to lay up for the winter?—A. Certainly, nothing unreasonable about that.

Q. And on the 14th of April you give this reason for the difficulty which you had in getting them to enter into the agreement the time lost and the expense they had suffered through moving from Dalhousie and Caraquet by order of the department?—A. Certainly, they would want to get some return for that expense.

Q. Now, this work was continued during 1909, you are aware of that?—A. Yes.

Q. There was a little over \$5,000 worth of work done in 1908?—A. Yes.

Q. And it was resumed you say on the 10th of May, 1909, without any authority from you?—A. No, no authority.

Q. And you gave no instructions until the 7th of June?—A. No, I gave no instructions until then.

Q. And they went on and did \$25,000 worth of work in 1909—

Hon. Mr. PUGSLEY.—Between May and June.

Mr. CROCKET.—Not between May and June, but between May and the end of the season.

Hon. Mr. PUGSLEY.—The fair inference from your question would be that the whole of that was done without authority between the 10th of May and June.

By Mr. Crocket:

Q. Then went on during the season of 1909?—A. Yes.

Q. And did work to the extent of \$25,000?—A. Yes, or whatever the amount was.

Q. Without any tenders having been called for?—A. No, tenders were called for Bathurst.

Q. And with your estimate standing in the department that the work was worth 35 cents per cubic yard?—A. That the work was worth 41 cents.

Q. You had reported 35?—A. I reported in the first place 35 cents, but I raised it to 41. No work had been done there when I reported, and we found afterwards that the work was more difficult than at Caraquet, and the returns showed that it was worth quite as much as at Caraquet, and there was some question as to the difficulty I had in getting them to enter into that agreement. They had been getting 50 cents at Dalhousie all the time they had worked that summer where they removed more material than they did at Bathurst.

Q. I am not discussing that question?—A. I know you are not, but I am explaining it.

Q. You admit that you reported to the department and estimated that the work was worth 35 cents and that the total would amount to \$12,000, that was in October, 1908?—A. In that particular report.

Q. You stated in that report that there were \$36,500 cubic yards?—A. Yes.

Hon. Mr. PUGSLEY.—Is it not fair to also mention that he says subsequently it was found that the work was harder than supposed and that it was agreed to pay the same as at Caraquet, 41 cents.

By Mr. Crocket:

Q. You made that report to the department, to which I have called your attention, estimating the price at 35 cents per yard, \$12,000 in all?—A. Yes.

Q. And you say that you raised that to 41 cents very shortly afterwards, and the reason you gave for raising it from 35 to 41 was the lateness of the season, was it not?—A. Yes, and the experience which showed that it was reasonable, that they did not dig as much as they were digging at Dalhousie where the price was 50 cents.

Q. That is a new reason?—A. It is a good one.

Q. In the letter you sent to the department, in the telegram to the department, you give the single reason for raising it to 41 cents as the lateness of the season?—A. Yes, and I considered it as a sufficient reason.

Q. You say you consider that a sufficient reason?—A. At that time.

Q. The work was continued the next year?—A. Yes.

Q. And they began in May?—A. Yes.

Q. So that made the work worth 41 cents then, because of the lateness of the season?—A. Certainly not—I explained that before.

Q. They began in May and went on until they had \$25,000 worth of dredging done, they removed 61,925 cubic yards?—A. Yes.

Q. And your estimate was that there were 36,000 cubic yards, was it?—A. My estimate for part of that work was 36,000 cubic yards, only part of it. The estimate of dredging required in Bathurst is a very large amount indeed.

Q. Are you aware of the provisions of the Public Works Act?—A. No.

Q. You have no knowledge of that? Have you ever read the Public Works Act?—A. I have never read it.

Q. You do not know the provision in the Public Works Act requiring any work exceeding \$5,000, except in cases of emergency, to be let by public tender?—A. I have never read that.

Q. But you do know there was no tender in this case and no written contract?—A. I can say that it was done as other works are done, as an extra under another contract.

Mr. CROCKET.—That is all I have in reference to Bathurst.

By Mr. Carvell:

Q. Mr. Stead, do you know anything about where the *Hayward* worked in 1909?—A. I do.

Q. Where?—A. At Bathurst and Caraguet.

Q. Do you know whether any improvements had been made on the *Hayward* between the autumn of 1908 and the summer of 1909?—A. Yes, it was improved. It was fitted up, but I cannot state definitely what was done.

Q. What improvements were made?—A. I cannot state definitely what improvements were put on the dredge during the winter, but I know they did considerable work on it.

Q. Do you know whether they put on another bucket or not?—A. They did early in the summer of 1909.

Q. What was the capacity of the new bucket as compared with the bucket in use during the previous year?—A. It was 50 per cent greater.

Q. Did that bucket remain on the dredge during the season of 1909?—A. Nearly the whole season of 1909; they bought two buckets during that season, both of larger capacity than their old one.

By Mr. Reid (Grenville):

Q. When any dredging has to be done at any of these places in your district does the department notify you that there is a certain amount allowed for the dredging at these particular points?—A. They do, the department does notify me.

Q. You receive that before the work is commenced?—A. Yes.

Q. Well, now, what is your custom when you receive that notice? You inform the contractor that he is to proceed to work?—A. Yes.

Q. And that you have received instructions that he is to do work to the extent of the amount that you have been notified?—A. Yes.

Q. And when that time arrives of course he must cease operations until further instructions are given him?—A. Yes.

Q. Now, then, do you in every case notify the contractor of these instructions that you have received?—A. I do.

Q. Every time?—A. Yes, practically every time.

Q. That being the case, when the amount of work has been performed, to the extent you have advised them?—A. Yes.

Q. At the time this has been done do you then inform him that the appropriation is exhausted and that he is to cease work?—A. Yes.

Q. You do that every time?—A. Yes.

Q. Then if they go ahead after that, is it

By Mr. Reid (Grenville):

Q. Are you satisfied that the department was aware this work was going on?
—A. Yes.

Q. And that it was proceeding in direct violation of the instructions from the department through you?—A. In direct violation of the instructions they had sent.

Q. Of the instructions sent to you and delivered to the contractors by you?—A. Yes, they had sent the instructions.

Q. You have said that when you made your report you reported and specified that this work was worth 41 cents in barge measurement?—A. Yes.

Q. I understood that was the way it was worked out?—A. Yes.

Q. Is there any work done in any of these contracts and paid for in situ?—A. It has been done in one or two cases in my district.

Q. Take it within the last two years.—A. No, it has not.

Q. It is all barge measurement?—A. It is all barge measurement.

Q. Has that been the custom, to do the work by barge measurement, since you have been resident engineer?—A. Yes, it has been the practice or custom to pay by barge measurement.

Q. Has it been the custom or practice in every case?—A. In practically every case, yes. That is the general custom, to pay by barge measurement.

Q. In so far as your district is concerned?—A. Yes.

Q. In barge measurement what is the custom, how do you tell the quantity in the scows?—A. We get the quantity from the amount of material in the scows.

Q. Do you measure first the quantity that a scow would hold?—A. Yes, we have our tables of the exact measurements of the scow.

Q. Are the scows a square box or are they?—A. They are rather flaring.

Q. They flare?—A. Yes.

Q. You measure and estimate how much the scow would hold if she were filled?
—A. Yes, and for every quarter or half foot piled on above the top of the hopper.

Q. You are the one that first figures out and estimates the quantity in the scow?
—A. Either myself or my assistants.

Q. On behalf of the government?—A. Yes.

Q. Then you appoint an inspector?—A. Yes.

Q. And this inspector must decide as to the quantity in each scow?—A. Yes, from our tables.

Q. Well, from the marks I suppose on the scow? That is the way you estimate?
—A. From the height of the material.

Q. In the scow?—A. Yes.

Q. If the scow is filled up then the inspector allows a certain quantity?—A. Yes.

Q. If the scow is only half full the inspector is the person who must make that estimate?—A. Yes.

Q. And the full responsibility as to the quantity taken out by the dredge is entirely in the hands of the inspector?—A. It is very largely in the hands of the inspector, of course.

Q. Well tell me, what other check would there be?—A. Well, we have—we visit these works as much as possible and we watch the measurements received, either myself or my assistants, as much as possible.

Q. Do you or your assistants go and stand by and watch the scows as they come out?—A. For a certain part of the time, it may be only a small proportion of the time; we do as much as we can.

Q. How many assistants have you?—A. At that time I had three. I have four regular assistants now.

Q. Where is your head office?—A. In Chatham, N.B.

Q. Are any of your assistants permanent residents of Chatham?—A. That is where they live.

Q. And is it the custom of these four men and yourself to be out on the work all the time?—A. No. I have practically to be in the office all the time.

Q. Then I am correct when I say that it is impossible for you to be at any of these works more than an hour or two at the most examining the scows?—A. Not more than perhaps a day in two weeks, or something of that kind.

Q. Therefore is it not correct to say that the whole responsibility as to what the contractors are to be paid is entirely in the hands of the inspector?—A. The inspectors do the measuring, yes.

Q. Then the whole matter is in the inspector's hands?—A. It is in his hands very much.

Q. There is no other check then by which you can possibly find out whether the payments are right or wrong except the statements sent in to you by that inspector?—A. We get a rough check from the scows, and all that; they will give us a rough check.

Q. But there is no other check possible by which you could go back and see whether the statements are right or wrong?—A. No, except from the scows.

Q. The inspector in charge of this work I suppose should be a responsible man?—A. He should be an intelligent and honest man.

Q. An honest and competent man?—A. Yes.

Q. What kind of man do you consider would be suitable for the position of inspector?—A. A man of honesty and intelligence. It does not need very much learning, but just as I say it needs honesty and intelligence.

—A. I suppose if a man could read and write that would be sufficient as far as education is concerned, in your opinion?—A. If he could write enough to know the height of the mud on the scow and make notes of that kind.

Q. If he were simply able to mark down the figures that would be all that you would require, that would be a sufficient qualification in your opinion?—A. Yes, but the more education he had the better.

Q. As long as he could mark down the figures that would be a sufficient qualification in your opinion?—A. And make notes such as are required.

By Mr. Crocket:

Q. And he should have good eyesight too?—A. Oh, well—

By Mr. Reid (Grenville):

Q. Are you the officer that selects the man to be appointed inspector?—A. No.

Q. You simply ask the department for an inspector?—A. Yes.

Q. Whoever they send you must accept?—A. If I find them competent.

Q. If he can read and write that is all the qualification necessary?—A. We have to have a little experience with an inspector too, we have to watch them.

By Mr. Crocket:

Q. You said the other day that you needed an honest and competent man?—A. Oh yes.

By Mr. Reid (Grenville):

Q. Well, Mr. Stead, these inspectors are sent on to you and you place them in charge of the work?—A. I send them instructions, they generally live somewhere in the locality. As a rule they live somewhere in the locality.

Q. And there is simply some person chosen from the locality. The business he is in or anything of that kind has nothing to do with it so long as he can read or write in the way you speak of?—A. Yes, so long as he has the qualifications I state.

By Mr. Carvell:

Q. Have you received any instructions from the department within the last year regarding the cessation of work when the amount appropriated has been expended?—A. Yes, I did receive instructions.

Q. What are they?—A. Not to exceed the amount that is authorized during 1910.

Q. Have you received instructions to remove the inspector?—A. No. I have no instructions to remove the inspector.

Q. But it rests with you to stop the work when the amount is expended?—A. Yes.

Q. Those are your instructions?—A. Yes. That was in 1910.

Q. Would you have power under those instructions to remove the inspector?—A. I would, yes, I could remove him as I want to but my instructions to the inspector are that he is to stay on the work as long as the work is in progress.

Q. He remains there until you order him off?—A. Until I order him off.

Q. Now, in addition to sending men there to look on for a day in two weeks, do these men do anything more than simply watch the scows being filled and counted?—

A. Well, yes, in the way I am stating. I was stating it rather moderately. They do go and sometimes stay and I try to have them stay wherever possible, if I have men enough, I have them stay several days at a time to be perfectly sure that—

Q. But have you adopted that policy of having men stay several days?—A. We have, yes.

Q. You have?—A. Yes, in 1909 I could not do that because I had not sufficient assistants, but in 1910 I had more assistants and I kept men on the dredges the whole time. That is, one man gave his whole time to it.

Q. Do these men have the right to examine the books of your regular inspector and find out what has been done in their absence?—A. Yes, the books are checked.

Q. Was it the duty of these men to check the books of your regular inspector?—A. Yes, it was.

Q. And did they report to you?—A. They reported to me that they found the books were correctly written up or correctly figured out.

Q. Did you find as a matter of personal experience that this additional supervision was of any benefit or any assistance to the department?—A. I did, I found that it was a very great benefit and a very great help to me.

By Mr. Meighen:

Q. Did that dredge leave Dalhousie for Bathurst by order of the department?—A. No, it did not go by order of the department.

Q. I mean did the dredge go from Caraquet to Bathurst by order of the department?—A. No.

Q. It didn't?—A. They were ordered to Caraquet.

Q. They did not go from Caraquet to Bathurst by order of the Public Works Department?—A. No.

Q. Why did you say that they did in your letter to the Auditor General?—A. I said that they were ordered—

Q. Why did you say that they went there by order of the department in your letter of explanation to the Auditor General?

Mr. CARVELL.—Read the letter to him.

By Mr. Meighen:

Q. Did you say the dredges went there by order of the department or not?—A. They were ordered to Caraquet. Now—

Q. I am not asking that, I am asking did you say that they were ordered to Bathurst by the department?—A. To Bathurst?

Q. Did you state in your letter to the Auditor General that the dredges went there by order of the department?—A. Yes, I think I did so say.

Q. Then the statement was false?—A. Oh no, not at all.

Q. Well, I will read the letter to you. (Reads):

I had difficulty in persuading the contractors to enter into this agreement as the season was so late, and on account of the loss of time and expense they had suffered through moving from Dalhousie to Caraquet and Bathurst by order of the department—

—A. Yes.

Q. You led the Auditor General to believe that the dredges went on that expensive trip by order of the department and on that account the contractors wanted a higher price?—A. I can tell you just what was done exactly.

Q. I do not want to know what was done.—A. Yes, you do. Oh yes, you do.

The CHAIRMAN.—Let the witness answer the question.

By Mr. Meighen:

Q. I want to know why you led the Auditor General to believe that when they went to Bathurst it was by order of the department?—A. I have made a true statement there.

Q. I beg your pardon?—A. It was true.

Q. It was true that they went to Bathurst by order of the department?—A. Yes.

Q. You think so?—A. Yes, I think so.

Q. You can change your mind in about two minutes. Tell us why you changed your mind.—A. It is as I say because I remember the letter which I wrote and I think I said there might be danger in remaining at Caraquet. Perhaps I had better show you the letter. (After making search.) No, I have not got that letter with me, but I will tell you that the practical substance of it was that I would not become responsible for keeping them at Caraquet.

By Mr. Smythe (Algoma):

Q. Where is your letter?—A. In the previous year's correspondence; I did not bring it up with me. I said that I would not take the responsibility of keeping them at Caraquet because they might take up their winter quarters at Bathurst and go to Bathurst for that purpose.

By Mr. Meighen:

Q. So your explanation is that you had written a letter to say that you would not take the responsibility of keeping them at Caraquet, but that you would let them take up winter quarters at Bathurst?—A. Yes.

Q. And by reason of that you say they were ordered to Bathurst by the department—an expensive trip?—A. Yes, it is.

Q. By reason of that, you solemnly told the Auditor General in the way of explanation, they were ordered there on an expensive trip by the department?—A. I do not remember now.

Q. Is that your explanation?—A. Well, I will tell you this: I had no idea of deceiving the Auditor General. That is true.

Q. But you see as a matter of fact that you did deceive him?—A. No, I do not think I did.

Q. You do not think you did. Now, Mr. Stead, on the 6th of October you wrote to Mr. Lafleur that they had already gone to Bathurst to take up winter quarters?—A. Yes.

Q. They had already gone there. Do you say still they went there on your instructions? What would they have done if they had no instructions?—A. They were waiting at Caraquet. Let me say they were staying at Caraquet expecting to work there under my instructions.

Q. Expecting to work there? But you ordered them to Bathurst, did you?—A. I don't remember how definitely I put that letter to them. I cannot tell how I put it exactly.

Q. Now, you told the Auditor General that you had great difficulties in inducing the contractors to enter into this contract?—A. Yes, because they had been getting 50 cents all that summer at Dalhousie.

Q. Tell me when you so persuaded them?—A. It must have been when I had authority for the work from the Chief Engineer, I suppose.

Q. If you had authority for the work to go on you had great difficulty in inducing them to go on with the work?—A. Oh, no.

Q. All right, go ahead.—A. I had difficulty in persuading them to accept 41 cents when they had been getting 50 cents all the summer, and it was later in the season for dredging and more difficult than earlier in the summer.

Q. On the 6th of October you thought 35 cents was enough, did you not?—A. Well, as to the estimates that I make for dredging, the actual work may be done for more or less.

Q. Usually more?—A. And another thing, no work had been done there at the time, and I made my estimate for the whole season.

Q. There is your letter of the 6th October and 35 cents is the price?—A. We make estimates for all the works.

Q. And the reason you changed the price, you said a few moments ago, in your opinion the season was late?—A. Yes.

Q. The season got late on the 9th of October, three days afterwards, and the dredge had started to work on the 6th?—A. Yes.

Q. So there was no virtue at all in the season being late?—A. I did not know when the dredge was going to work.

Q. You did not know when it was going to work?—A. No.

Q. Did you know on the 9th of October that it was at work?—A. No.

Q. You thought that on account of the three days interruption the price should be raised 6 cents?—A. Not at all.

Q. Well, what on earth did you raise it for?—A. As I say, I naturally supposed that work would go on next summer.

Q. You thought it would go on next summer?—A. Yes.

Q. So the lateness of the season was the lateness of the time you were doing the estimating of when the work was to be done?—A. When I made my first report I thought the work would go on next summer.

Q. I beg your pardon?—A. When I made my first report I supposed the work would go on next summer.

Q. You say that when you made your report at 35 cents you thought the work would go on next summer?—A. Yes.

Q. And that is the reason you made it so low, is that correct?—A. Well, I did not bind myself down to those estimates at all.

Q. You said it a minute ago. Is it, or is it not true?—A. Well, I said I could not tell when the work would go on.

Q. No you did not say that?—A. I beg your pardon, I did say that.

Q. You said that it would go on next summer?—A. I said the other thing too.

Q. You could not tell when it could go on?—A. No.

Q. Well, we will take the last answer: you could not tell whether it would go on that summer or the next and that is the reason you made it so low, is that correct?—A. I only put in a general price which was not—

Mr. CARVELL.—Let the witness answer.

Mr. MEIGHEN.—I will let him answer and I will take his answers on some other subjects.

By Mr. Meighen:

Q. Was the reason why you made the price so low because you did not know whether the dredging would go on that summer or the next? That is the question I want answered?—A. Well, I put in as I say a price for the whole work. That is one thing. I could not tell when it would go on for another thing.

Q. Now, Mr. Stead, not to worry you very much, this is out of your report,—

The Company state that on completion of the dredging they intend to build a wharf along the edge of the cut, from which to load their lumber in barges and schooners. Dredging, to give six feet at low water, would amount to 36,500 cubic yards barge measurement, which at 35 cents per cubic yard would cost \$12,775. The Company state that a depth of four feet at L.W.O.S.T. would be sufficient for this season.

So that when you estimated 35 cents you clearly contemplated the work would be done that season?—A. According to that I clearly contemplated it.

Q. So that excuse falls to the ground?—A. Well, I estimated the price at which dredging could be done. I could not say what price it would be done.

Q. You estimated it at 35 cents, and after they had been at work, only three days intervening, you thought that would be sufficient for raising it to 41 cents and you want this committee to believe that, and then you had to press them later on to accept it?—A. That is correct.

Q. After they had been at work since 6th October. You appreciate your position in this matter, Mr. Stead?—A. I don't consider it the way you consider it, I must say.

Q. Well, we will start right back and give you a chance to make a brand new list of excuses. Why did you raise your estimate six cents in three days?—A. Because I found my estimate was not a practicable one.

Q. For what reason. You gave a reason. Can you give another one?—A. I said that the lateness of the season——

Q. It was only three days later than the time of the estimate?—A. Yes.

Q. And you told the Auditor General that one reason was the expense of moving to Dalhousie at the order of the department, and they did not move at the order of the department?

By Mr. Pugsley:

Q. He says Caraquet and Bathurst. Is this not true, she was ordered to Caraquet and did no dredging at all?—A. No dredging at all. It was absolutely necessary to go to Bathurst. It was just the same as if an order had been given.

The CHAIRMAN.—It is past the hour of adjournment.

Witness retired.

Committee adjourned.





EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

RESPECTING

DREDGING---DALHOUSIE, BATHURST, CARA- QUET AND LOGGIEVILLE

No. 8--APRIL 12, 1911



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1911

COMMITTEE ROOM, No. 32,
HOUSE OF COMMONS,
WEDNESDAY, April 12, 1911.

The Select Standing Committee on Public Accounts met at eleven o'clock, a.m., the Chairman, Mr. Warburton, presiding.

The Committee proceeded to the further consideration of the payment of \$67,021.14 and \$13,584.35 to A. and R. Loggie in connection with dredging at Bathurst, Caraquet, Dalhousie and Loggieville, V-248, Report of the Auditor General 1909-10.

Hon. Mr. PUGSLEY, recalled, made the following statement.

The reason I came this morning is to point out to the Committee that so far as I could judge the Opposition has proceeded upon the idea that the Department had paid the Loggie firm for all the dredging done at Bathurst. Perhaps the attention of the Committee has not been called to it, but I wish to point out that is not correct.

Mr. REID (*Grenville*).—What is that?

Hon. Mr. PUGSLEY.—I think the Opposition members of the Committee have proceeded on the theory that the total amount of Messrs. Loggie's account for dredging at Bathurst has been paid.

Mr. CARVELL.—Thirty thousand dollars, isn't it?

Hon. Mr. PUGSLEY.—I will tell you what the facts are, I want to point this out to the Committee so that they will be in possession of all the facts connected with the matter. When my attention was called to the fact that Messrs. Loggie had been working for, I think, about two weeks before they were authorized to commence, I gave directions that an amount should be withheld which is more than sufficient to cover that; that amount is withheld and has not been paid to Messrs. Loggie.

By Mr. Carvell:

Q. Can you state how much that would be, approximately?—A. I think some \$6,000 or \$7,000. You remember they began work two weeks before they were authorized to do so. I am speaking entirely from memory as to the number of weeks and the amount kept back.

By Mr. Reid (Grenville):

Q. They did two weeks' work before they were authorized?—A. Yes, and that amount has been withheld and is still held by the Department.

Q. It has not been paid yet?—A. It has not been paid.

Q. But they still claim the full amount?—A. They claimed the amount but the Department has refused to pay.

Q. Is it the intention of the Department to pay for that work?—A. It is not the intention of the Department to pay.

Q. They do not intend to pay them for it?—A. For those days they worked before they were authorized. The same remark applies to Loggieville.

Q. How many days were they working before they were authorized?

Mr. CARVELL.—Wait a moment and I will give you the number of days.

A. I went into the figures a short time ago with the Deputy Minister and found that in accordance with my orders this sum had been withheld; I think everybody

here has been proceeding on the theory that the full amount had been paid, but it has not.

Mr. CARVELL.—I think it is about a week.

A. No, it was some time in May they commenced, I think it was two weeks, from some time in May until the 6th of June.

By Mr. Carvell:

Q. They started on the 10th of May.—A. Yes, and authority was given on the 6th of June.

Q. That would be three weeks?—A. Yes, about three weeks, and we have withheld a sum of money, some \$6,000 or \$7,000 to cover that. The same remark applies to the work at Loggieville.

By Mr. Reid (Grenville):

Q. Work was done from the 10th of May.

Mr. CARVELL.—The work was commenced by the dredge on the 10th of May, but instructions were not issued until the 6th of June. Inspector Chalmers was instructed on the 25th of May to take charge of the dredge when the work was to be executed.

A. Mr. Doddy can give us the exact time later on.

By Mr. Reid (Grenville):

Q. That was at Bathurst?—A. When my attention was called to the fact, as I said, that they had begun work before being authorized to do so, I gave directions that an amount should be withheld sufficient to cover that, and there is more than sufficient being held back by the Department now, that is with respect to Bathurst.

Q. What about the others?—A. I think as to Loggieville it is the same thing.

Q. Are you not quite sure?—A. Well, my deputy so informed me, but that is a matter upon which I could not give evidence. You would have to call witnesses as to that, only I did not want it understood that this money has been paid.

Q. Well, how is it at Dalhousie?—A. Well, they were authorized to begin there; the telegram you know authorized them or gave them the supposed authority from the Department.

Q. How did they receive notice to commence, was it by letter or telegram?—A. Which, at Dalhousie?

Q. At Bathurst?—A. If you remember there was a telegram.

Q. A telegram?—A. A telegram from the Department to them.

Q. This is on work done, previous to that telegram, by the Loggie firm. Do we understand that they have not been paid for that?—A. They have not been paid; there is a balance held in the Department on the Bathurst dredging for more than that amount.

Q. They have already been paid, according to the accounts, for that work?—A. A certain amount.

Q. They are already paid up to the end of the year?—A. No, they have not been paid this balance of \$6,000 or \$7,000.

By Mr. Carvell:

Q. You are wrong as to the amount, it is \$11,000.—A. I did not know the amount, at all events it is more than sufficient to cover the difference between the time they began the work and the telegraphic authority.

By Mr. Reid (Grenville):

Q. Was not there an estimate sent to the Department for \$11,000 on the work, at the time, and wasn't it paid?—A. The papers will show that. All I want to call the attention of the Committee to is that they have not been paid the whole amount for the dredging at Bathurst, that at my direction the Department is withholding

an amount larger than the amount they claim for the work done between the time they began and the date the telegraphic authority was sent.

Q. Here is what I mean: here (producing file) is a report signed by the inspector which shows that the dredging commenced on May 10th, here it is, May 10th to May 22nd.

Mr. CARVELL.—What does that amount to?

Mr. REID (*Grenville*).—Well, the total number of yards is here, the total number of cubic yards of dredging.

Mr. CARVELL.—9,344.

Mr. REID (*Grenville*).—How much a yard do they get?

Mr. CARVELL.—The Minister evidently has referred to both Bathurst and Loggieville because I find there has been \$11,000 held back, and Bathurst figures up at \$4,788.39.

A. All I know is that when my attention was called to the fact I told the Deputy not to pay them up in full, but to hold back more than sufficient to cover the amount which I intended, of course, to question and so far have refused to pay.

By Mr. Reid (Grenville):

Q. Mr. Crocket, who understands the case, is not here, but I will put a few questions to Hon. Mr. Pugsley in connection with the matter. I see that they commenced work on May 10th and the telegram was sent, as I understand, on June 7th. Now the reports of the Inspector, Mr. P. G. Chalmers, show as follows: Statement from May 10 to May 22, 5,699 yards dredged; from May 21 to 31, 3,645 yards, and from June 1 to June 5, 2,355 yards.—A. How much will that total up?

Q. Here it is, 11,679 yards, which at 41 cents a yard figures up at \$4,788.39, that is what Mr. Carvel figures it at.—A. Now if the Deputy takes the stand I am sure he will show you that there is more than that amount withheld.

Q. That is the number of yards shown as being dredged from the time dredging started until the telegram was sent authorizing them to go to work?—A. Quite so.

Q. Now did the Department pay the account for that work as it was rendered up to that time?—A. That I could not tell you. I have no personal knowledge of it because my attention was not called specially to the Bathurst matter until—

By Mr. Carvell:

Q. September?—A. Some time after I came back from the West.

By Mr. Reid (Grenville):

Q. Who would know?—A. The Deputy would know, but I would take it for granted, Doctor Reid, that the payments were made from time to time on those certificates. Still I do not think the Department, or the Government, would be bound by that.

Q. It would be a question of law whether you would be bound or not?—A. Yes.

Q. What I would like to know, if you can answer it, is this: Is it not on the certificates of the Inspectors that the Government pay for the dredging done?—A. When the certificates come they go to the proper officers of the Department and finally to the accountant, and after that they pass to the Auditor General.

Q. And it is practically on these certificates that payment is made?—A. The Inspector's certificate is the foundation.

Q. Well, you have no reason to doubt that on all these certificates that have been presented the amount has been paid?—A. I have no reason to doubt it, although I have no personal knowledge.

Q. When did you notify the Deputy Minister to hold back any amount?—A. When the matter first came up.

Q. Do you mean before the Public Accounts Committee?—A. No. I think it was before that, some time last winter—last winter or fall.

Q. Last winter or fall?—A. Or fall.

Q. Did you convey that notification in writing?—A. No, we conversed together. Possibly I may have done it in writing, but we conversed together and I told him to keep back an amount sufficient—

Q. To cover this work?—A. Yes.

Q. And the intention of your Department then is to refuse payment for this work?—A. That is my present intention, although I might say it is my idea that possibly the matter might be submitted to the Courts as to whether they have a claim. There is another thing also which might raise an equitable consideration: we were paying previously in respect of the dredging at Mirimichi on the Grand Dune Flats to the Poupore Company under a contract awarded by tender, 60 cents per cubic yard. Messrs. Loggie are doing dredging there to-day for 11 cents per cubic yard and I cannot help thinking they will lose money on it. If they perform that job satisfactorily it might be a matter for equitable consideration as to whether they should be paid for this dredging at Bathurst, but it will not be paid without the authority of Parliament; there would have to be special power given. However, I do not intend to pay it without the special authority of Parliament.

Q. And is that the custom in your Department where a man happens to lose money in dredging in one place to pay him for that?—A. Sometimes the question arises for equitable consideration but that would be a matter for Parliament entirely.

Q. Does this mean that the Loggie's will have a claim against the Department? Do you intend bringing in an estimate to pay for it?—A. I have no present intention of doing so.

Q. Well, this is the only case that has been up before the Public Accounts Committee in which this question will arise.—A. I had an impression that the Loggieville Dredging was up too, but perhaps not. The Loggieville dredging stands, I think, in the same position: there was some work done there without authority and payment in that case is withheld.

Q. Do I understand then that the Loggie Dredging Company will either have to get their account settled through the courts or by special vote of Parliament?—A. Yes, that is the present intention.

By Mr. Carvell:

Q. Some evidence was given here that the work in question was done beyond the authorization of the Department, and I think to quite an amount beyond.—A. Yes.

Q. There was also a letter quoted by Mr. Crocket in regard to private dredging done. Can you explain either of these matters?—A. With regard to the work being done beyond the amount authorized I may say that the Resident Engineer ought to have withdrawn the Inspector. I think it was his duty to have withdrawn the Inspector and then the dredging contractor would necessarily feel that he would have to stop, because there would be no Inspector to certify to the accounts. During the past year I have had that rule very rigidly enforced. On two or three occasions different contractors have been stopped and they have had to come and get special authority. That is the justification that the Messrs. Loggie give for continuing—that the Inspector remained on the work certifying from time to time. I think Mr. Stead—in fact I am quite prepared to say so—as Resident Engineer should have withdrawn the Inspector when the appropriation was exhausted. He should have withdrawn the Inspector and then waited until he got authority from the Department to continue the work.

With regard to continuing the work I am inclined to think that if my attention had been called to it by telegram to British Columbia, or elsewhere in the West where I was at the time, that I would have extended the work because the dredging at Bathurst Harbour was very important. There is a great mine—perhaps the best iron deposit in America—and possibly in the world, in Gloucester County, within 18 miles of Bathurst. Bathurst is the nearest point of shipment, and my plan, formed

since that development began, was to dredge out the Harbour there so that it might become one of the shipping ports for that iron ore. In addition to that Bathurst is a very important lumbering centre. There are five rivers emptying into Bathurst Harbour, all of which drain a country, which is well timbered. There are several lumber mills, very large mills, there, and at present it costs for lightering the lumber about 75 cents per thousand, which was practically wasted. If vessels could go into the Harbour that amount would be saved and I had made up my mind to thoroughly dredge out Bathurst Harbour so that large vessels could go there for the iron ore and also for the lumber. Therefore, as I say, it is very likely that I would have extended the work had my attention been called to it.

With regard to what might be said to be private work, there was some work done leading to a very large mill, a modern lumber mill, which had been built by a Company at Bathurst, and I am prepared to say that I think I would have authorized that work had my attention been specially called to it. It is not unusual to do similar work in different sections of the country. I could give an illustration of cases which came to my notice years ago where sometimes the Government would give the services of a dredge, and in other cases they would require the actual operating expenses to be paid, the Government bearing the cost of wear and tear and all that. Since I have been Minister I have pursued the same practice depending somewhat on the importance of the work. As Mr. Barker knows, in Hamilton I have done dredging work leading to the works of the International Harvester, and the Oliver Plough Companies, continuing that work. To a certain extent it is private and yet it is of vast importance to the public because it enables ships to go there—ships not owned by these Companies, but ships to carry away the products which are created at these works. Now the big mill at Bathurst to which I have referred gives employment to a good many hundreds of people, both at the mills and in the woods, and it gives employment to a considerable number of vessels, and therefore I would regard that work as at all events of a semi-public nature, and similar to work which the Department was doing in other places. Every contract for dredging work benefits somebody more than others, therefore it is a question of degree largely.

By Mr. Reid (Grenville):

Q. Do I understand you to say that you can put a dredge at work, and do dredging to the extent of over \$5,000 without violating the Act?—A. It can be done, yes.

Q. It can be done?—A. Yes.

By Mr. Barker:

Q. Lawfully?—A. Lawfully, yes. You will remember that came up two years ago when I took the opinion of the Auditor General: under special circumstances it can be done.

By Mr. Reid (Grenville):

Q. As I understand you you can let out dredging in any part of Canada without calling for tenders, if you so desire, for an amount over \$5,000?—A. Under special circumstances.

Q. What do you mean by special circumstances?—A. If you look at the act you will see what it is.

Q. I haven't any idea of the act, but you could explain, give us an instance?—A. Yes, I can give you an instance: suppose it is desirable to do dredging work which may be of a more urgent character—

By Mr. Barker:

Q. An emergency?—A. Yes, without taking up time to call for tenders.

By Mr. Reid (Grenville):

Q. Do you think that would be an emergency case, the Dalhousie case?—A. Well, in the Dalhousie case it was an extension of work of the previous year; I had authority to do that, tenders were called for Dalhousie.

By Mr. Carvell:

Q. And Bathurst as well?—A. For Bathurst as well. I am not sure as to Bathurst. At least they had been called the previous year in Dalhousie——

By Mr. Reid (Grenville):

Q. Dalhousie, a telegram was sent from the Department to Geoffrey Stead.—A. To put the dredge at work on the same terms as the contract of last year; that contract was let after public competition.

Q. That is the way it reads, here is Geoffrey Stead's letter back to the Department:—

SIR,—I have received your telegram of the 9th inst. as follows, Reported Loggie's dredge now at Dalhousie. Please put her at work immediately and appoint Louis Allain as inspector.

A. Yes, but you have to get the telegram from the Department which purported to authorize the dredge to be put to work on the contract for dredging at Dalhousie on the same terms as the previous year, and in the previous year there was a contract, let after public competition, and that contract contained authority to the Minister to extend it.

Q. To extend the contract?—A. Yes, you will find that provision in all the contracts.

By Mr. Barker:

Q. You would not consider that the mere wording of the contract would justify a departure from the statute?—A. It is not a departure from the statute if you read it carefully.

Q. The statute contemplates tender?—A. Yes.

Q. But in a case like the Sault Ste. Marie Canal, where it would be absurd to let everything go to pieces whilst waiting for tenders it would not apply, but this ordinary work you are speaking of here does not in any sense constitute a state of affairs under which you could depart from the strict rules of the statute.—A. Which work are you referring to now?

Q. At Bathurst and Dalhousie?—A. Well, I speak now of Dalhousie in respect to which there was an absolute authority to continue the work at Dalhousie in the year 1909, and for this reason that in the previous year tenders had been called for that work and the contract had been awarded to Messrs. Loggie as being the lowest tenderers. Now the contract authorized the Minister to extend that work beyond the season of 1908—

Q. That is beyond the statute altogether, that is not the question.—A. That is under the statute, and I extended the work in 1909. I have done it in a number of cases. You will remember I was criticised for having done it, criticised by Mr. Bennett who was then member for one of the Simcoe, and I had taken authority to extend a number contracts by Order in Council. There was a great deal of criticism and I made up my mind that perhaps it would be better to call for new tenders. I did so, and the Department lost between \$200,000 and \$300,000 in calling for new tenders.

By Mr. Reid (Grenville):

Q. That is not the question Mr. Barker is asking.—A. No, but it gives a reason why, as a matter of policy, the Department might very often extend a contract rather than call for new tenders.

By Mr. Carvell:

Q. In the case of Dalhousie, a valid contract was entered into in 1908 with power to the Minister to extend that for another two years if necessary. What you mean to say is that all you require in order to comply with the law in that case is a vote of money, and as soon as that is voted you can extend that contract as you choose?—A. Certainly.

Q. Now you extended that contract to the extent of \$9,600?—A. Yes.

Q. Now had you the money voted before you would have extended it to \$31,000?—A. Clearly: We had a general appropriation of a certain amount for the Maritime Provinces; the appropriation was allotted by my officials and myself; we could have allotted \$30,000 for Dalhousie.

Q. That is to say you could allot that amount for Dalhousie just the same as you could for some other place?—A. Just as well.

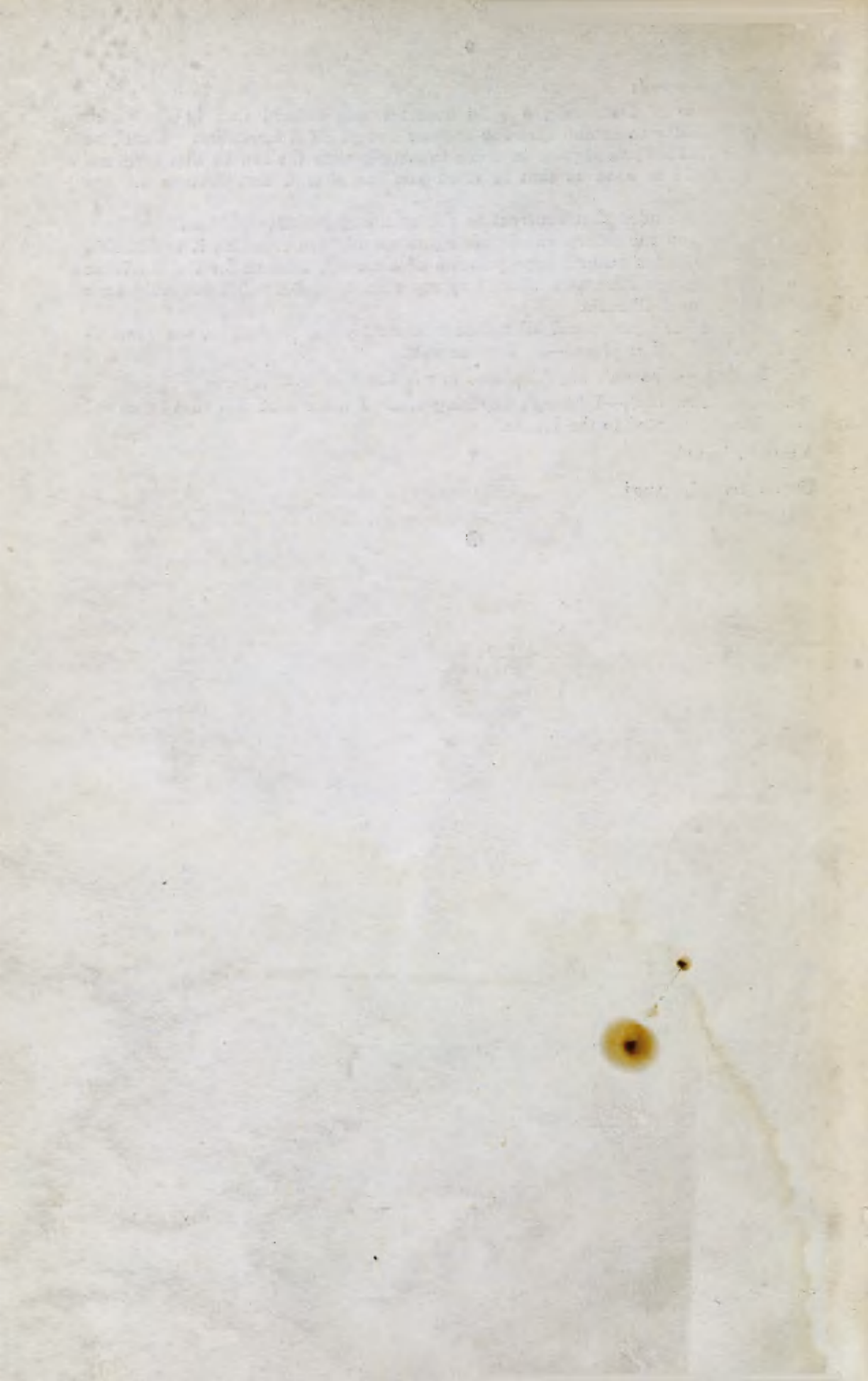
Mr. CARVELL.—I haven't anything else to ask the Minister.

Mr. REID (*Grenville*).—I haven't anything else. I move that this case be closed and the evidence reported to the House.

Motion adopted.

Committee adjourned.

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